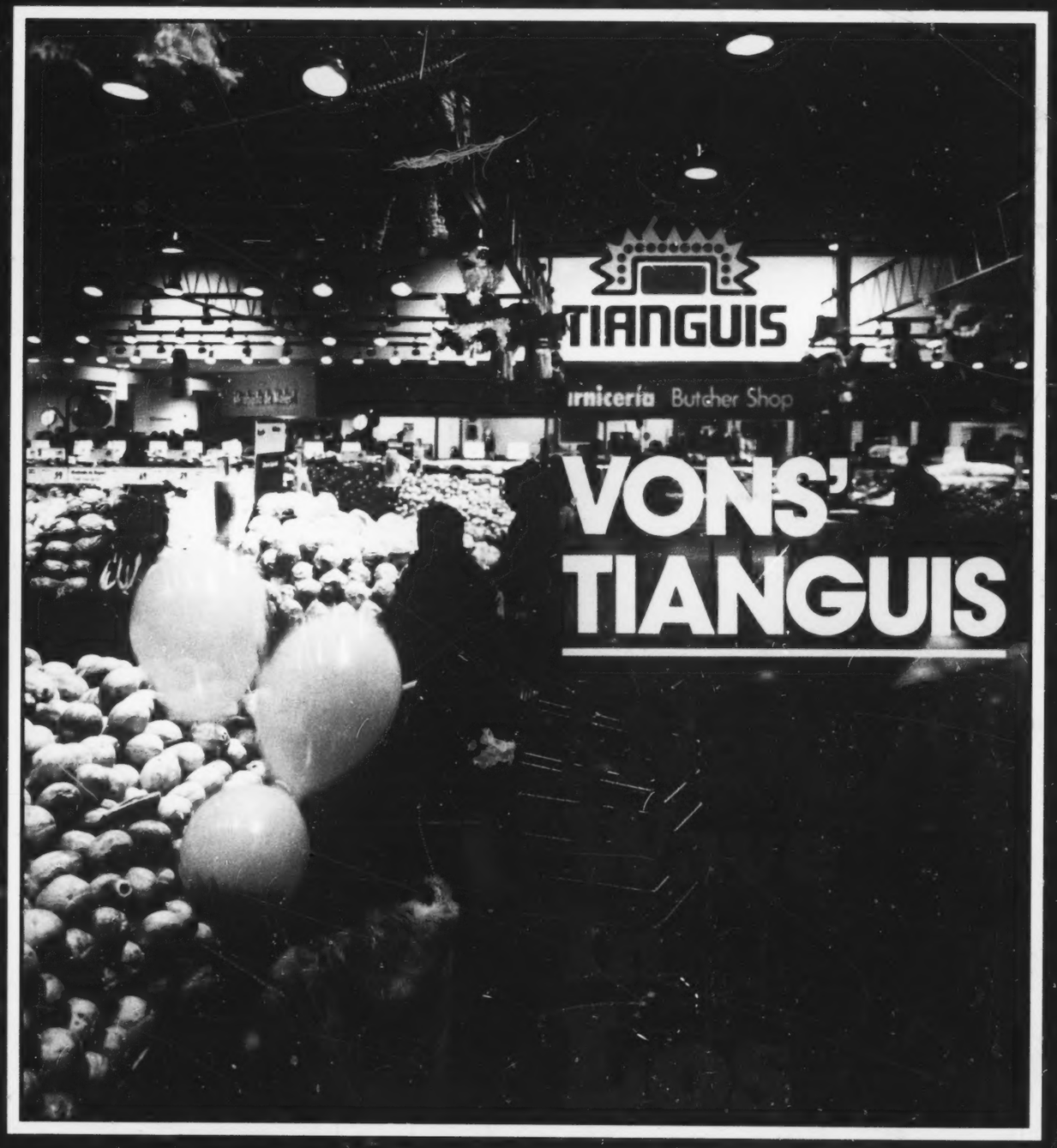
C3475-1A
3/17/87

SUPERMARKET BUSINESS

$4.00
PER COPY
PART ONE
OF TWO PARTS

VOLUME 42/NUMBER 3
MARCH 1987

SUE
UAL
UCT
NCE STUDY
E BUSINESS: BAKERY
Selected Editions Only



EDITOR-IN-CHIEF:
Kenneth P. Partch

SENIOR EDITOR:
Robert J. Hughes

MANAGING EDITOR:
Shirley Claypool

SENIOR ASSOCIATE EDITOR:
Kevin Coupe

ASSOCIATE EDITORS:
Peter Leviten
Frank Hammel

EDITORIAL ASSISTANT:
Karen L. Jones

ART ASSOCIATES:
Alison Bushnell
Andrea L. Gallo

CONTRIBUTING EDITORS:
Marketing: **Len Lewin**
Produce: **Samuels McClure**
Technology: **Richard Shulman**
Store Planning: **David Rogers**
Washington: **John Bastin**

ASSOCIATE PUBLISHER:
Carol Fenshalt

ASSISTANT CIRCULATION MANAGER
(ACTING CIRCULATION MANAGER):
Leon Carter

PRODUCTION DIRECTOR:
Dennis Davidson

RESEARCH DIRECTOR:
David Litwak

ADVERTISING SALES:

EAST:
SOUTHEAST REGIONAL SALES MANAGER:
Peter Beyrent

NORTHEAST REGIONAL SALES MANAGER:
Thomas Dean

EAST COAST SALES MANAGER:
Maggie McAleer

REGIONAL SALES MANAGER:
Janet Isenberg

SALES ADMINISTRATOR:
Lauren Lekosid

Fieldmark Media
25 W 43rd Street, Suite 707
New York, N.Y. 10036

CHICAGO:
VICE PRESIDENT, NATIONAL ACCOUNTS:
Dave Wishard

REGIONAL SALES MANAGERS:
Doug Kodis
Phil Soran

Fieldmark Media
7366 N. Lincoln
Lincolnwood, Ill. 60646
312-673-6737

WEST COAST:
Sue Martin

Fieldmark Media
16133 Ventura Blvd., Suite 1200
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

PRESIDENT AND PUBLISHER:
Jeffrey A. Schaeffer

VICE PRESIDENT, FINANCE:
Eric Braunstein

VICE PRESIDENT, ADMINISTRATION:
Catherine Cahill

VICE PRESIDENT:
Carol Fenshalt

CORPORATE OFFICERS
SOSLAND PUBLISHING COMPANY
CHAIRMAN:
Morton I. Sosland

VICE CHAIRMAN:
Nell N. Sosland

PRESIDENT & CEO:
Jeffrey A. Schaeffer

VICE PRESIDENT-EDITORIAL DIRECTOR:
Kenneth P. Partch

VICE PRESIDENTS:
Mark Saba,
Mel Sporen

TREASURER:
Melanie Townsend

COVER PHOTOGRAPHY:
Michael Vasta

SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Sosland Publishing Co., 25 W. 43rd St., New York, N.Y. 10036. Telephone: 212-354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $40 per year; Canada, $45 per year. Foreign subscriptions $55 (seamail), $205 (airmail), per year. Single copies $4 except Consumer Expenditures Study (September issue) $25 per copy. (Discount prices available on multiple purchases.)
Copyright © 1987 Sosland Publishing Co. All rights reserved.
Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP Association Of Business Publishers, Inc.

SUPERMARKET BUSINESS

VOLUME 42
NUMBER 3

PART ONE
OF TWO PARTS

MARCH 1987

VONS' TIANGUIS: IS THIS THE NEW WAVE FOR LOS ANGELES? 30
BOB HUGHES & KEVIN COUPE

The Vons Co. has banked on the growing strength of Hispanics in the Los Angeles area with the opening of its Latino-themed Tianguis. This market-square format, with abundant foods and a great emphasis on fresh, Mexican-style products, is expected to appeal to others in Los Angeles too. This may signify a new wave of cultural cross-breeding in the area, which marketers have begun to recognize and gamble upon.

MARKETS IN FLUX: 45
IN ATLANTA, KROGER MINDS ITS OWN BUSINESS—
VERY WELL, THANK YOU/KEVIN COUPE & BOB HUGHES

In some cities, the entry of Cub Foods into the market has caused price wars and business failures. But in Atlanta, Kroger has maintained its market dominance, and Cub isn't inclined to start any kind of battle.

FOURTH ANNUAL PRODUCT PREFERENCE STUDY: 52
TOP BRANDS SPREADSHEET—REGIONAL PREFERENCES
KEY TO MERCHANDISING STRATEGY
PREPARED BY ROBERT DIETRICH

Savvy marketers are increasingly thinking regionally rather than nationally. Just how much consumers in seven major regions across the U.S. vary in their allegiance to leading brands is shown for the first time in this exclusive report.

DRY GROCERY (FOOD)
BREAKFAST FOODS ... 60
BAKED GOODS ... 60
CANDY ... 63
DESSERTS/BAKING INGREDIENTS ... 63
SNACKS ... 64
PACKAGED SPECIALTY FOODS ... 64
FRUITS/JUICES/VEGETABLES, CANNED ... 69
OILS/DRESSINGS/CONDIMENTS ... 69
SPICES/EXTRACTS ... 69
FAMILY BEVERAGES ... 70
SOFT DRINKS ... 70
BEER/WINE ... 73
SAUCES ... 73
DRY GROCERY (NONFOOD)
PET PRODUCTS ... 74
PAPER PRODUCTS ... 74
SOAPS/LAUNDRY PRODUCTS ... 74
TOBACCO/SMOKING PRODUCTS ... 76
HOUSEHOLD CLEANERS/SUPPLIES ... 76
FROZEN FOODS ... 79
DAIRY ... 80
HEALTH & BEAUTY AIDS
ORAL PRODUCTS ... 80
REMEDIES, MISC. ... 83
SKIN CARE ... 84
HBA, MISC., (WOMEN) ... 84
COSMETICS ... 86
HAIR CARE (WOMEN) ... 86
MEN'S HBA ... 88
GENERAL MERCHANDISE ... 88

INSTORE BUSINESS OPPOSITE PAGE 67

FIFTH ANNUAL BAKERY OPERATIONS REVIEW 3A
DAVID LITWAK

A look at how the retail bakery business is doing at the instore supermarket, in such ways as product mix, number of employees and product presentation.

AT MEGAMARKET, AN INSTORE BAKERY ADDS THE LUSTER OF SERVICE TO A WAREHOUSE ENVIRONMENT/PETER LEVITEN 16A

THE NATION'S TOP GROCERY COMPANIES/DAVID LITWAK 92

1986 was a year of upheaval, as the financial community discovered the supermarket. Here's a look at the top chains and how they performed.

DRUG TESTING: NOW THE GROCERY INDUSTRY IS UNDER THE GLASS/FRANK HAMMEL 101

NAWGA's model substance abuse program is winning wide support. But forced drug testing promises to unleash some problems of its own.

CHECKOUT: MEMORIES OF ELVIS BY THE CARTLOAD 130
FRANK HAMMEL

At ShopRite's The Experience, in Edison, N.J., Saturdays are entertainment days for shoppers. Recently, an Elvis Presley impersonator "loved them tender."

OTHER FEATURES AND DEPARTMENTS:

EDITOR'S VIEW ... 7
TRADESCAN ... 9
TECHNOLOGY ... 19
WASHINGTON BRIEF ... 25
STORE PLANNING ... 27
SAMI ... 107
NEW PRODUCTS: NONFOODS 110
PRODUCE ... 113
ON MARKETING ... 116
JANUARY'S CONTEST:
LIST OF CORRECT ENTRIES ... 120
THE MARCH CONTEST ... 124
ADVERTISERS' INDEX ... 116

FOURTH ANNUAL PRODUCT PREFERENCE STUDY

TOP BRANDS SPREADSHEET

REGIONAL PREFERENCES KEY TO MERCHANDISING STRATEGY

PREPARED BY ROBERT DIETRICH

To the average supermarket shopper who's migrated, say, from Tampa to Tacoma, the faces (brands) on the shelves---Liptons, L'Eggs and Luvs, to name but a few—may seem reassuringly familiar.

But increasingly, the relative number of facings, special displays and other forms of support given these and other brands vary by region. Emphasis on the fine-tuning of brand weight regionally by marketers and merchandisers is a trend that's likely to gain strength.

Just last month, a writer for *The Wall Street Journal* pointed out that national marketers are segmenting their strategies for brand promotion *by region* with a dedication they once reserved for age and income (back in the '60s), and for lifestyles and attitudes (in the '70s). Respected big-brand heavyweights that are cited as thinking regionally these days include Campbell Soup Co. and General Foods. (Purveyors of nonpackaged goods such as autos are also peppering their marketing plan with regional accents.)

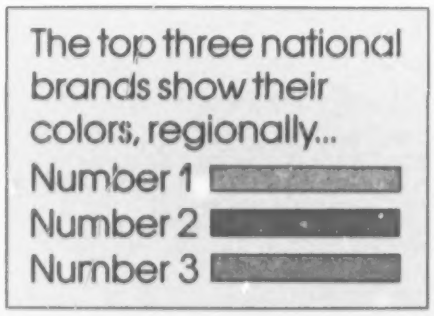
One market, quite divisible

Number 1 brand status has long been a coveted trophy among marketers. Being Number 1 nationally gives a brand added leverage with both grocery warehouses and supermarkets—not to mention shoppers who feel most secure buying a winner.

But the new swing toward a more regionalized approach to marketing suggests that Number 1 status nationally is sometimes irrelevant. Just ask the buyer who's gone overboard in a deal the Number 1 national brand is running, while ignoring the propensity of shoppers in his region to pledge allegiance to the Number 2 national brand—or even Number 3.

For many product categories, of course, Number 1 is Number 1, with apologies to Gertrude Stein, no matter what the region. (The table on mustard, below left, provides an example.)

Other product categories, however, may reveal one, two or even three or more regions, with quite distinct brand preference profiles that elevate the



PREDICTABLE PERFORMERS...

		TOTAL U.S.	NEW ENG.	MID ATL	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
MUSTARD									
1	BRAND A	60.0	61.3	54.4	63.9	58.7	61.4	63.1	59.6
2	BRAND B	16.5	24.3	24.5	13.7	16.8	11.8	8.9	26.6
3	BRAND C	14.6	10.3	17.9	10.8	4.8	11.3	5.3	11.9

The Number 1 brand of mustard asserts its supremacy in all seven regions. The range of variation by region—from a low of 58.7 percent in West Central to a high of 63.9 percent in East Central— is smaller that for most product categories. After looking out for Number 1 (with generous shelf-space allotments) buyers will find that runner-up position shows wide variations by region, with the Number 3 national brand weak in the South and West but registering a significant edge over the Number 2 national brand in both New England and Mid Atlantic.

Certain brands can be said to *define* their product categories. In a free-association test, their names—often embedded in our subconsciousness since early childhood—spring to the lips.

Cream cheese?...Philadelphia. Baby shampoo?...Johnson & Johnson. Film?...Kodak. Paper towels?... Well, you get the idea. The index on page 58 lists over 100 product categories that we call our Predictable Performers—categories in which the Number 1 national brand reigns supreme in all seven regions.

Within this framework of predictability, however, plenty of decision-making flexibility is still needed at both the warehouse and store level. The acknowledgement of a universal Number 1 brand does not constitute an excuse to unthinkingly accord it the lion's share of merchandising attention at the expense of the also-rans.

A practical evaluation of the Predictable Performers is called for:

☐ Is the leader of true *powerhouse* status, with usage by 50 percent or

Continued on page 54

Number 2 (or Number 3) national brand to Number 1 eminence. (See table on mayonnaise, below right.)

Knowing, for each of the several hundred categories stocked, whether it's a "mustard" or a "mayo" locally is a giant challenge to the warehouse and store level personnel responsible for maximizing brand mix.

Help is obviously needed, and help is what this report is designed to provide. For the first time anywhere, the brand shares of the three leading national brands for each product category are related to their performance in each of the seven major marketing regions. (The map on page 57 confirms the characteristics of your region.)

A research microcosm

Exclusive access to the data necessary to compile this unique report was granted to SUPERMARKET BUSINESS by Mediamark Research Inc., whose syndicated research data are used by many leading manufacturers, advertising agencies and media (see page 54). This report is based on custom-designed tabulations from Mediamark's database of over 20,000 consumers, which can be projected to the total U.S. population.

The color-coding system in this report makes it easy to discern at a glance both (a) each of the top three national brand's *share* of a category's users in a particular region, and (b) that brand's relative ranking in that region.

(NOTE: This study is by definition restricted to each category's three top brands *nationally*, i.e., those with the most users of the product category saying they had used them in the period defined in the questionnaire. If as happens occasionally, a brand other than the top three national brands—or even a house brand or generic item—claims a share of users higher than one or more of the three shown, it falls outside the design and scope of this study and is not reported.)

Taking action

For each product category, a grocery distribution executive can quickly discern whether the pattern in the region in question is:

☐ The same as for the total U.S. in ranking, or

☐ Different from the total U.S. in ranking.

Besides noting the pattern of brand ranking, keep an eye on the dimension of the percentage of users claimed by brand. If, for example, a brand ranks number one in every region, the operator in Region A (where a 30 percent level of users is sufficient to elevate it to the top) may opt for a different game plan from the operator in Region B (where the brand sweeps 60 percent of users).

In both long-term strategic planning and day-to-day operations, what kinds of actions can be taken in recognition of a region's distinctive top-tier brand profile, as evidenced in this report? While experience and intuition necessarily point buyers and store managers to most actions reflexively, here's a quick run-through of some of the questions they'll likely ask themselves:

☐ Does allocation of shelf space adequately recognize comparative demand?

☐ Should Number 1 be favored by increasing its number of authorized items? More flavors, more sizes? (The questions, of course, can also be asked of close runners-up.)

☐ At the warehouse, is enough space allocated to maintain proper flow-through?

☐ Is the share of ad space in weekly ads proportionate, over a period of time, to the consumer constituencies of the top three brands?

☐ Is too much promotional attention (special displays tied in with allowances, for example) being given to the claimant to Number 1 national brand eminence at the expense of the local leader? (When sales reps come in with flip charts spouting national sales statistics, remind them you're not a national business and ask to see figures for your local market or region.)

☐ Watch out-of-stocks more closely for the categories with out-of the-ordinary local brand performance. Customers may be looking for some previously underrated (by you) brands more than you expected.

☐ If you're a buyer, review these special categories—ones in which your region goes its own way—with both the sales reps for the brands and your store managers. Both can offer insights you may have overlooked.

☐ If you're a store manager, on the other hand, talk it over with both the buyer and district supervisor and, if there is one, the department manager.

Healthy roots

If you feel we've been debunking the prevalent "national marketing mentality," you're right. There aren't, after all, any "national" supermarket chains. And even if there were, they'd most likely find their success to be concomitant with their degree of regional autonomy.

Today's move toward a new regionalism in marketing has been presaged by a movement away from costly and inflexible national media such as network television and super-size circulation magazines. Increasing attention is given to such alternatives as cable TV and syndicated programming on local stations, and to city magazines.

The region, not the nation as a whole, is the significant battleground for supermarket entrepreneurs. And for a supermarket it is regional, rather than national, preferences that determine which brands of each product category are favored by shoppers

The tools provided in this special report are designed to help supermarket executives identify, and then act on, the unique product preference patterns that operate in every section of the supermarket.

...AND ACTIONABLE EXCEPTIONS

		TOTAL U.S.	NEW ENG.	MID ATL	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
MAYONNAISE/MAYO-TYPE SALAD DRESSING									
1	BRAND A	41.6	39.0	53.1	67.2	65.1	30.6	42.5	26.0
2	BRAND B	28.7	28.2	30.7	16.4	22.4	26.9	30.5	20.2
3	BRAND C	24.5	19.8	25.8	22.5	21.5	21.7	17.4	3.7

Buyers who project local shopper demand for mayonnaise and mayonnaise-type salad dressings on the basis of national brand shares do so at their peril. The brand that registers first place nationally, with 41.6 percent of category users naming it, rockets to a two-thirds level in East Central and West Central, while maintaining first place with lower levels of allegiance in the South West and Pacific. New England and Mid Atlantic show taste preferences different from the rest of the country by favoring the Number 2 national brand. In the South East, the Number 3 brand outpulls all others.

After observing decades of brand promotion through mass media such as network television, one might well expect an inevitable homogenization of Americans' brand-preference patterns.

Such is not the case, however, as attested to by the statistics in this report covering a wide range of both food and nonfood products sold in supermarkets. What plays in Peoria today might well bomb in New Haven.

Except for contrarians, everybody likes to be Number 1, or at least to enjoy the rub-off from buying and using Number 1. Small wonder then that so many advertising messages have "number one-ness" as their concept. Or that so many sales reps build their presentations to buyers and store personnel on the same theme.

Fine, except sometimes they forget to mention that a brand's national preeminence may be irrelevant to the stores operating in a region where the Number 2 (or even Number 3) national brand wins the popularity

Continued on page 57

HOW MEDIAMARK "BRANDS" 20,000 CONSUMERS

When marketers need to know who (demographically) is buying what (products and services), they frequently reach out to one of the largest and most accepted databases of its kind—the one maintained by Mediamark Research Inc. (MRI), New York.

In addition to classifying consumers by the region they live in (the basis of this report), Mediamark surveys record a wide range of other demographics (including age, education, income and household size).

Subscribers who use the data as grist for their marketing and media mills, are able to quantify product usage and brand patterns against both demographic characteristics and a wide range of media involvement—magazine and newspaper readership, radio and both broadcast and cable TV.

The data are gathered from 20,000 interviews every year (two waves of 10,000 each) with a randomly selected sample of adults that can be projected statistically to the total United States.

Overall, precise data are gathered on 450 product categories that are subdivided into 1,900 product types and 5,700 individual brands.

One line of subscriber access to the data is through the bookshelf long, 20-volume set of reports published each year. But for those whose need of cross-tabulations exceeds the dimensions of the printed page, direct assess to the data base is as near as a desktop personal computer through Mediamark's MEMRI™ System (Micro Evaluation by Mediamark Research Inc.) Complex equations for comparing reach and frequency of various advertising vehicles against target product-user groups can be solved in seconds.

The subscriber-beneficiaries with access to the Mediamark data base include advertising agencies, media (including magazines, broadcast networks and stations) and such advertisers as Kimberly Clark, Ralston Purina and Kroger.

Several customized services are also available from Mediamark:

☐ *Ten Mediamark Reports* zero in on special consumer behavior patterns—including which supermarkets are shopped in metro areas.

☐ *The Upper Deck Report* provides in-depth statistics on those coveted households with income over $50,000 a year.

☐ *The Business-to-Business Report* sets its sights on business purchasers and how they spend their budgets on advertising, equipment and supplies, travel and other top-line items.

☐ *The Consumer Innovators Report* tracks the trendies who are usually the first to buy what's new in areas such as "food and the kitchen environment."

To find out more about product categories that are mentioned in this report, or about Mediamark services in general, contact Sylvia Cassel Senior Vice President, Administration, Mediamark Research Inc., 341 Madison Ave., New York, N.Y. 10017. (Tel. 212-599-0444.)

PERFORMERS

Continued from page 52

more of those who consume a particular product category? (Some examples that come quickly to mind include flavored gelatin desserts, canned soup and disposable lighters.)

☐ If so, you can feel comfortable continuing to give these brands the generous space and merchandising attention you already do. Better, then, to spend time evaluating the comparative strength of the place and show brands in your region. As local taste preferences often strongly assert themselves at the runner-up level, you should gauge the pull of these brands on smaller, but often just as loyal shopper segments.

☐ Of course, many Predictable Performers operate somewhat short of the Powerhouse level, with a consistent—but minority—share of users. Such is the case with categories such as table syrup/molasses, frankfurters and corn/cheese snacks. Here, again, a look at *regional* performance (your region, of course,) will point the way. If, for example, Number 1 is a sensational performer in your area, possibly with double Number 2's share of claimed users, pull out the stops and treat it as a powerhouse. But if Number 1 is only a nose ahead in a two- or three-way race, allot your space allocation and merchandising backing proportionately, so that the users of *all* the brands within the category get a fair shake.

Brands that have achieved Predictable Performer status have, of course, done so with the help of a constant infusion of support from their sponsors. This ranges from research and development programs that improve and expand the brand's line to mega-sized advertising budgets and merchandising structures, including allowances for participating retailers.

Even more important, these brands are Number 1 with your customers, who expect to find them amply accommodated on your shelves, on your end-aisle displays and in your weekly ads. ■

SOME DEFINITIONS

Brand Usage: For each product category, the questionnaire defines the time period that is relevant. Usage may cover as little as the most recent seven days for a high-frequency product, or as much as six months or a year, for low-frequency products.

Rank: Color coding for the Number 1, Number 2 and Number 3 national brands is assigned on the basis of the percent of product category users who say they used the brand during the period defined by the questionnaire. (In some cases, the percent using the three leading brands may add up to more than 100 percent, because of multiple responses.)

Adults: Age 18 and over. Adults comprise the base for products purchased for personal use by both men and women.

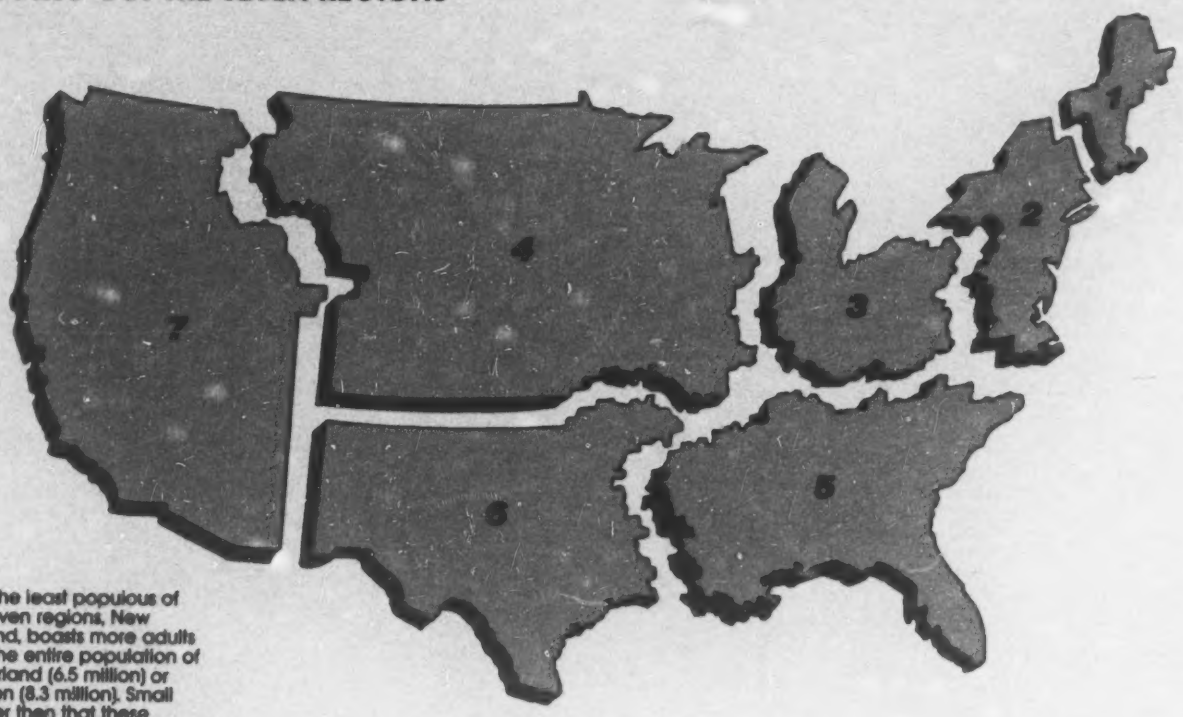
Men/Women: Age 18 and over. Used as the base primarily for health and beauty aids products used by only one sex.

Female Homemakers: The homemaker is the person designated as the one who does most of the shopping for groceries and household items. Products purchased for the household are based on female homemakers. (Mediamark also collects data on usage by male homemakers.)

NOTE: The dimensions of this study are confined to the performance of the top three national brands in individual regions. If, for a particular product category, some other brand achieves an incidence of usage higher than the third-best shown, it is not covered in this report.

NOTE TO READERS:
The MRI data presented in this report are under copyright by Mediamark Research Inc. and are presented here with their permission.

MAPPING OUT THE SEVEN REGIONS



Even the least populous of the seven regions, New England, boasts more adults than the entire population of Switzerland (6.5 million) or Sweden (8.3 million). Small wonder then that these geographically separated regions stretching over four time zones are marked by distinctively different brand purchasing patterns for many product categories.

(000)	TOTAL U.S.	1 NEW ENG.	2 MID ATL.	3 EAST CENT.	4 WEST CENT.	5 SOUTH EAST	6 SOUTH WEST	7 PACIFIC
ADULTS	171,769	9,651	30,453	24,405	27,331	31,127	19,908	28,895
MEN	81,733	4,484	14,293	11,528	13,129	14,726	9,571	14,002
WOMEN	90,036	5,167	16,160	12,878	14,201	16,401	10,336	14,892
FEMALE HOMEMAKERS	79,129	4,373	13,530	11,364	12,788	14,560	9,478	13,037

Source: Mediamark Research Inc.

EXCEPTIONS

Continued from page 53

sweepstakes.

This report shows tables for dozens of product categories that we call Actionable Exceptions. In short, these are categories in which one or more regions demonstrate a ranking in the usage of the three most popular national brands that is different from the national usage.

Sometimes the regional differences can be attributed to the mechanics of distribution. Direct delivery networks may vary in strength from region to region. Or newer brands may not have yet rolled out to the same degree across the country.

More likely, however, it's just the age-old phenomenon of regional taste differences asserting itself. The Actionable Exceptions are easy to spot as you read through the tables—they're the ones in which the ribbons of color don't continue neatly across all seven regions.

If, for a particular product category, it's your region where the flow of color is disrupted, it's because consumers in your region have given the category a brand hierarchy that's different from the national one. Some considerations:

☐ Is the unique local ranking really news, or does it just confirm what you "really knew all along"? For categories in which the latter is the case, chances are you've already allocated shelf space and merchandising emphasis in proportion to local purchase patterns.

☐ Still, even if the ranking isn't news, the availability of precise shares of users claimed by each brand may indeed be news. This will give you the information needed to effect some fine-tuning of the category.

☐ But for categories that exhibit unexpected rankings and relative purchasing weights for the three national leaders, this report can provide the impetus for changes. The following checklist is a starting point: number of items (flavors and sizes) authorized and stocked; shelf space and number of facings; instore merchandising prominence, including on-shelf signing, end-aisle displays, window banners and cross-merchandising with other departments; space in weekly store ads.

Actionable Exceptions are an opportunity to maximize the return on your investment in store space and merchandising for some product categories whose real potential you may have overlooked. ■

PRODUCT INDEX

(Includes categories not shown in [illegible])

★★★★★
#1 brand differs from #1 national brand in five regions.

Cola drinks, regular, not diet	70
Eye shadow	86
Yogurt	80

★★★★
#1 brand differs from #1 national brand in four regions.

Candy bars, big block, thick bar (A)	NR
Candy, packaged miniatures	63
Cat food, canned	74
Coffee, ground	70
Cookies	60
Gravy/sauce mixes	73
Household cleaners	76
Mouthwash	80
Mushrooms, canned or jarred	69
Personal care soaps (liquid)	84
Sanitary napkins	84
Video tapes, discs	88

★★★
#1 brand differs from #1 national brand in three regions.

Barbecue/seasoning sauce	73
Beans, prepared with sauce	69
Bread crumbs, coating mixes (F)	NR
Breakfast cereals, cold	60
Cat litter	74
Chewing gum	63
Coffee, instant or freeze-dried	70
Cold/sinus/allergy remedies	83
Dog food, dry	74
Insect repellants	76
Mayonnaise/mayo-type salad dressing	69
Orange juice, refrigerated	80
Paper napkins	74
Pasta, packaged	64
Personal care soaps, bar	84
Sausages	64
Shampoo, women's	86
Snacks (novelties), frozen	79
Starch	74
Stuffing mixes/products	60
Tuna, canned	64
Vegetables, prepared, frozen	79
Wine coolers	73

★★
#1 brand differs from #1 national brand in two regions.

Bath/shower additives	84
Blusher	86
Breakfast/snack/nutritional bars	60
Candy, individual, regular size	63
Carpet/rug cleaners (F)	NR
Complete dinners, frozen	79
Desserts, frozen	79
Drink additives	70
Extracts	69
Fabric softeners	74
Face powder, pressed	86
Hair spray	86
Insecticides, outdoor	76
In-tank toilet cleaners	76
Laxatives	83
Main courses, frozen	79
Margarine	80
Metal polish	76
Mexican food	64
Mints	63
Motor oil	88
Pasta, canned (F)	NR
Popping corn/popcorn snacks (F)	NR
Potato chips	64
Potatoes, instant	64
Rice/rice mixes, flavored	64
Salt substitutes (F)	NR
Seasonings/spices	69
Shaving creams/lotions/gels (W)	NR
Snack cakes	60
Sunburn remedies	84
Sweeteners, artificial	63
Toothache/gum/canker sore remedies	80
Toothbrushes	80
Waffles, frozen	79

★
#1 brand differs from #1 national brand in one region.

Bacon/breakfast strips	60
Beer, domestic, low-calorie	73
Bread	60
Breakfast cereals, hot	60
Cake mixes, dry	63
Candy, prepackaged loose (A)	NR
Cheese, pasteurized/ processed/American	80
Chili, canned (F)	NR
Cold cuts (F)	NR
Crackers	60
Deodorants/antiperspirants, women's	84
Diapers, disposable	74
Dips, ready-to-serve (F)	NR
Dishwashing liquid	74
Disposable plates (F)	NR
Dog food, canned (F)	NR
Drain cleaners	76
Flea/tick products (F)	NR
Frosting	63
Hair coloring	86
Honey (F)	NR
In-bowl toilet cleaners (F)	NR
Insecticides, indoor (F)	NR
Laundry precleaners, pretreatments (F)	NR
Lipstick/gloss	86
Mascara	86
Medicated throat lozenges	83
Oil, salad/cooking	69
Orange juice, frozen	79
Pancake/waffle mix	60
Perfume/cologne	86
Pickle relish (F)	NR
Plant food, indoor (F)	NR
Plastic garbage bags/ trash can liners (F)	NR
Razor blades (M)	88
Razor blades (W)	84
Salad dressing	69
Scouring pads (F)	NR
Seafood, frozen	79
Shave lotions/creams/foams/ gels (men's)	88
Soft drinks, diet, not cola	70
Soft drinks, regular, not cola	70
Soy sauce	73
Sunscreen/suntan products	84
Upset stomach remedies/ indigestion remedies	83
Vegetables, plain, frozen	79
Wine, sparkling	73

●
#1 national brand is #1 in all seven regions.

Additives, motor oil (A)	NR
Adhesive bandages (A)	NR
Air freshener sprays, room deodorizers	76
Aluminum foil (F)	NR
Antifreeze (A)	NR
Athlete's foot remedies (A)	NR
Auto wax/polish (A)	NR
Automatic dishwashing detergent (F)	NR
Baby lotion (F)	NR
Baby oil (F)	NR
Baby ointments (F)	NR
Baby powder (F)	NR
Baby shampoo (F)	NR
Baking chips (F)	NR
Baking mixes	63
Bar chocolate, baking (F)	NR
Batteries	88
Beer, domestic, regular	73
Beer, imported	73
Bleach (F)	NR
Body powder (A)	NR
Brownie/cookie mixes	63
Butter (F)	NR
Cat food, dry (F)	NR
Cat food, moist (F)	NR
Catsup (F)	NR
Charcoal (F)	NR
Cheese, natural, imported	80
Cheese spread (F)	NR
Cigarettes	76
Cocoa powder (F)	NR
Coconut, baking (F)	NR
Cola drinks, diet	70
Cologne/after shave	88
Complexion care (W)	NR
Corn/tortilla chips & cheese snacks	64
Cough drops	63
Cough syrup	83
Cream cheese (F)	NR
Dental floss (A)	NR
Denture cleaners	80
Deodorants/ antiperspirants, men's	88
Diarrhea remedies	83
Dinner mixes (F)	NR
Disposable cups (F)	NR
Disposable household wipes (F)	NR
Disposable razors (M)	NR
Disposable razors (W)	NR
Dog food, moist (F)	NR
Dough products, refrigerated	80
Dry soup mix, bouillon cubes (F)	NR
Energy drinks (F)	NR
English muffins (F)	NR
Evaporated milk (F)	NR
Eye drops/washes	83
Eye liner (W)	NR
Face creams/lotions	84
Facial tissues (F)	NR
Facial toners (W)	NR
Feminine hygiene douches/ suppositories (W)	NR
Film	88
Flavored gelatin desserts	63
Floor wax/polish (F)	NR
Flour (F)	NR
Foundation makeup	86
Frankfurters/weiners	64
Fried chicken, frozen (F)	NR
Fruit, canned or jarred (F)	NR
Fruit juices/drinks	69
Furniture polish (F)	NR
Glass cleaners (F)	NR
Hair conditioners, women's	86
Hand/body creams/ lotions/oils (M)	NR
Hard roll candy (A)	NR
Headache remedies/ pain relievers	83
Hemorrhoid remedies (A)	NR
Ice cream/sherbet (F)	NR
Iced tea mix, instant	70
Jams/jellies (F)	NR
Kitchen wrap, plastic type (F)	NR
Laundry detergents, regular fabrics	74
Lighters, disposable	76
Light bulbs	76
Lip balm	84
Liver sausage (F)	NR
Milk, dry (F)	NR
Mustard	69
Nail polish remover (W)	NR
Nondairy cream substitutes	70
Nonstick sprays, cooking (F)	NR
Nuts (snack)	64
Oven cleaners	76
Oven cooking bags (F)	NR
Pain-relieving rubs/liquids	83
Pantyhose/stockings	88
Paper towels	74
Pet biscuits/treats (F)	NR
Pickles (F)	NR
Pizza mix (F)	NR
Plastic food/sandwich bags (F)	NR
Potatoes, frozen	79
Powdered soft drinks	70
Premoistened cleaning wipes (F)	NR
Pretzels (F)	NR
Puddings/pie fillings (F)	NR
Rice (F)	NR
Rubber gloves (F)	NR
Salt (F)	NR
Scouring powder (F)	NR
Shampoo, men's	88
Shortening (F)	NR
Soaps, detergents, fine fabrics (F)	NR
Soup, canned	64
Spaghetti sauce	73
Table syrup/molasses	60
Tampons	84
Tea, instant (F)	NR
Tea, regular	70
Teething remedies (F)	NR
Toaster products (F)	NR
Toilet paper (F)	NR
Tomatoes, canned	69
Tomato/vegetable juice (F)	NR
Toothpaste	80
Vegetables, canned or jarred (F)	NR
Vitamins	83
Whipped topping (F)	NR
Wine, domestic, table	73
Wine, imported, table	73
Waxed paper (F)	NR
Writing instruments	88
Yeast (F)	NR

NR

Denotes a product category whose brand leadership pattern has been studied, but that is omitted from detailed tables in this report because of lack of space. The base for each category is denoted as follows: (F)—female homemakers, (A)—adults, (M)—men, and (W)—women.

TOP 3 NATIONAL BRANDS
(PERCENT USING — BY REGION)

DRY GROCERY (FOOD)

RANK	BREAKFAST FOODS (BASE – FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
BREAKFAST CEREALS, COLD									
1	BRAND A	30.5	35.3	32.3	33.6	35.0	34.1	31.2	34.6
2	BRAND B	29.8	29.3	32.1	30.5	31.5	20.7	24.9	24.9
3	BRAND C	24.8	26.7	26.0	30.4	26.6	20.2	19.8	18.2
BREAKFAST/SNACK/NUTRITIONAL BARS									
1	BRAND A	29.1	31.2	30.7	33.5	31.2	38.7	29.5	25.9
2	BRAND B	27.2	30.1	25.3	30.5	23.4	22.9	25.1	21.1
3	BRAND C	23.3	29.7	24.8	23.6	23.0	19.3	22.6	20.2
BACON/BREAKFAST STRIPS									
1	BRAND A	24.5	40.6	34.6	22.5	26.4	22.0	16.2	18.1
2	BRAND B	18.4	15.9	14.3	14.1	13.2	16.7	16.1	17.1
3	BRAND C	11.6	14.9	13.0	12.2	10.6	12.7	9.8	10.0
BREAKFAST CEREALS, HOT									
1	BRAND A	35.6	39.7	44.8	36.8	38.1	31.5	28.0	34.3
2	BRAND B	28.6	23.4	22.0	34.3	34.6	28.1	22.0	29.6
3	BRAND C	17.7	21.4	21.3	18.4	16.1	11.1	16.3	22.2
PANCAKE/WAFFLE MIX									
1	BRAND A	42.8	46.2	49.3	49.2	35.2	53.8	48.5	42.9
2	BRAND B	29.3	28.2	28.2	22.1	26.6	25.6	29.8	21.4
3	BRAND C	16.5	6.8	17.3	20.0	21.8	15.9	18.4	8.4
TABLE SYRUP/MOLASSES									
1	BRAND A	29.2	25.1	31.6	29.5	23.6	34.7	38.3	21.3
2	BRAND B	19.3	19.5	26.6	19.0	18.1	20.0	13.8	18.9
3	BRAND C	19.2	19.0	23.0	19.0	17.7	17.3	17.7	16.9

One of the most brand-jammed sections of the supermarket, cold breakfast cereals (★ ★ ★) shows the #1 national brand surrendering its leadership to the #2 national brand in three regions: Mid Atlantic, South East and South West. Female homemakers cite more than 90 brands they've served recently (a number surpassed in the Mediamark survey only by cigarettes). With the top three brands running as a brace, and dozens of other brands meriting space, the problems of finding adequate shelf space continue to defy the laws of rational space allocation.

Hot breakfast cereals (★) present a more orderly picture, with the national brand 1-2-3 order upset only in the West Central region. Mediamark figures show that users of the #1 brand consume above-average amounts of the product, reinforcing the importance of giving it generous shelf space.

RANK	BAKED GOODS (BASE – FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
COOKIES									
1	BRAND A	26.2	31.8	28.6	28.8	31.7	27.2	38.4	21.8
2	BRAND B	25.2	29.3	22.6	28.2	26.0	19.8	21.7	16.8
3	BRAND C	18.2	15.7	20.1	16.7	17.5	16.7	20.7	15.0
STUFFING MIXES/PRODUCTS									
1	BRAND A	23.4	33.0	28.5	33.0	25.1	32.3	25.7	19.3
2	BRAND B	20.5	31.5	22.6	18.3	19.7	20.1	21.6	13.2
3	BRAND C	20.1	10.1	21.3	11.4	16.7	16.7	17.9	12.8
SNACK CAKES									
1	BRAND A	52.4	32.1	32.6	66.9	55.5	73.5	67.0	58.4
2	BRAND B	38.5	30.1	23.0	49.1	53.0	25.0	39.8	28.3
3	BRAND C	15.2	6.6	5.2	19.6	18.5	13.0	20.5	15.1
BREAD									
1	BRAND A	15.2	13.4	21.1	18.6	14.4	10.1	12.3	15.3
2	BRAND B	10.0	2.9	7.7	10.8	12.9	10.0	11.9	12.2
3	BRAND C	9.6	2.6	6.4	10.3	11.5	9.7	8.4	12.1
CRACKERS									
1	BRAND A	23.9	27.2	27.1	23.8	22.3	24.1	22.4	24.6
2	BRAND B	18.9	22.2	22.2	20.7	19.8	16.6	14.2	18.5
3	BRAND C	15.1	8.3	13.0	19.9	18.8	16.7	13.1	6.8

The strength of the direct-delivery network throughout the country expectedly affects the regional strength of many brands in this category. While the #1 and #2 brands of cookies (★ ★ ★ ★) register a virtual photo-finish nationally, at the regional level the gap can be as wide as 17 points (#1 over #2 in the Southwest) or even five points (#1 in the Pacific lagging behind #2.)

In the crackers (★) section, as in cookies, many brands—and their routemen—fight it out, but three long-established favorites pull and maintain their rank at the top.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING—BY REGION)

DRY GROCERY (FOOD)

RANK	CANDY (BASE – FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
CANDY, PACKAGED MINIATURES									
1	BRAND A	22.7	21.9	27.0	24.2	24.0	26.2	23.7	23.8
2	BRAND B	21.8	21.1	25.6	22.3	23.2	19.5	20.5	20.0
3	BRAND C	21.6	16.5	21.0	21.2	16.1	19.5	19.3	19.8
CHEWING GUM									
1	BRAND A	21.3	26.8	23.6	26.1	23.5	18.2	26.3	24.1
2	BRAND B	20.3	13.7	19.3	21.0	18.5	17.2	19.7	19.0
3	BRAND C	17.1	7.2	14.5	19.3	18.0	16.9	15.2	17.3
CANDY, INDIVIDUAL, REGULAR SIZE									
1	BRAND A	33.9	31.2	27.8	39.6	41.9	30.1	34.0	35.7
2	BRAND B	29.2	29.6	26.6	31.0	31.4	28.6	28.9	29.2
3	BRAND C	25.5	28.6	25.5	26.6	27.8	22.6	23.5	22.6
MINTS									
1	BRAND A	29.1	29.1	31.7	31.8	32.0	29.3	33.8	28.9
2	BRAND B	25.0	25.3	24.6	24.5	21.4	23.7	24.3	21.0
3	BRAND C	18.4	23.3	23.2	15.8	20.4	17.3	12.7	15.7
COUGH DROPS									
1	BRAND A	53.1	48.1	53.6	66.6	57.5	52.7	53.7	33.7
2	BRAND B	17.7	16.3	18.1	14.8	17.0	20.8	18.5	18.5
3	BRAND C	14.0	15.2	17.2	12.2	10.8	13.5	13.2	14.5

RANK	DESSERTS/BAKING INGREDIENTS (BASE – FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
SWEETENERS, ARTIFICIAL									
1	BRAND A	52.9	56.8	54.4	54.1	55.6	59.6	59.3	51.4
2	BRAND B	47.1	41.3	44.9	47.2	41.0	45.4	41.3	43.8
3	BRAND C	4.8	6.8	6.4	4.8	6.0	3.9	2.0	5.0
CAKE MIXES, DRY									
1	BRAND A	49.9	45.6	54.7	48.5	41.6	61.9	55.8	42.5
2	BRAND B	36.8	37.8	41.4	39.3	37.6	30.4	30.5	35.0
3	BRAND C	28.6	28.3	26.5	27.7	33.1	22.2	28.1	29.3
FROSTING									
1	BRAND A	39.3	38.3	38.9	44.6	41.7	36.4	32.2	42.0
2	BRAND B	24.8	26.4	31.4	24.4	24.5	30.3	30.4	19.1
3	BRAND C	22.3	23.8	27.2	15.9	18.1	19.4	22.7	15.4
BAKING MIXES*									
1	BRAND A	53.3	52.9	56.9	51.3	53.8	46.1	45.4	64.2
2	BRAND B	30.3	20.8	24.1	35.9	31.6	31.1	38.0	27.9
3	BRAND C	18.4	12.8	17.5	17.8	19.1	19.4	23.4	16.8
BROWNIE/COOKIE MIXES									
1	BRAND A	49.8	53.3	52.4	47.3	43.1	58.0	53.7	42.1
2	BRAND B	34.2	31.1	34.3	37.3	40.6	25.2	31.8	36.4
3	BRAND C	17.3	21.7	19.7	19.7	17.9	16.0	11.7	13.3
FLAVORED GELATIN DESSERTS									
1	BRAND A	78.6	77.7	75.1	80.6	79.1	79.8	84.4	74.7
2	BRAND B	24.5	20.7	24.5	26.9	25.5	25.6	17.8	25.6
3	BRAND C	12.7	12.6	19.2	13.4	13.5	9.8	5.7	9.5

Registering a tight, almost three-way tie on the national level, the three favorite brands of packaged miniatures (★ ★ ★ ★) splinter their leadership regionally, with #2 claiming the top spot in New England and West Central, and #3 leapfrogging them both in East Central and the Pacific. In most regions, however, the range between the percent savoring the most popular brand and those loyal to the second and third most popular brands is so small that all three can and should be aggressively merchandised.

The situation is quite different in the case of cough drops (●), where #1 maintains its pre-eminence across all seven regions, albeit giving up ground in the Pacific, where its popularity is only half that of the East Central.

Like mother, like daughter (and possibly son, too) when it comes to brand choice here. For categories such as flavored gelatin desserts (●), and baking mixes(●)—as well as some important categories not shown because of space limitation, baking chips (●), sugar (●), baking coconut (●) and puddings/pie fillings(●)—the #1 brand *is* the category to most shoppers.

While such hall-of-fame #1s deserve every inch of shelf space and ad space they get, and any out-of-stock should be considered a cardinal sin, runners-up often try harder by offering generous allowances and imaginative merchandising approaches. So they deserve to be rotated into your plans, too.

- ● #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

*Excludes Cake Mix

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING—BY REGION)

DRY GROCERY (FOOD)

RANK	SNACKS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
POTATO CHIPS									
1	BRAND A	28.2	24.8	21.9	33.8	24.8	33.4	32.2	29.0
2	BRAND B	26.5	19.3	20.9	26.6	22.0	30.7	31.2	28.3
3	BRAND C	13.5	10.5	11.0	16.0	16.6	15.2	16.3	7.3
CORN/TORTILLA CHIPS & CHEESE SNACKS									
1	BRAND A	39.4	38.8	41.4	45.4	42.4	36.7	35.6	34.1
2	BRAND B	26.7	27.3	25.9	27.2	25.0	26.1	33.7	24.1
3	BRAND C	19.7	16.2	21.6	11.7	19.4	19.4	23.2	24.0
NUTS (SNACK)									
1	BRAND A	46.8	40.4	47.1	55.0	36.5	56.7	49.9	39.8
2	BRAND B	15.5	10.0	11.4	11.4	28.9	13.8	14.4	17.7
3	BRAND C	10.9	6.3	10.1	11.0	9.6	8.5	6.9	15.5

RANK	PACKAGED SPECIALTY FOODS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
PASTA, PACKAGED									
1	BRAND A	28.5	45.2	49.8	48.4	44.0	46.4	29.3	26.3
2	BRAND B	19.8	1.6	9.9	32.2	36.1	13.8	7.2	15.8
3	BRAND C	15.2	NA	NA	3.0	5.0	6.4	7.0	0.5
SAUSAGES									
1	BRAND A	19.4	33.0	30.7	15.8	24.0	26.3	29.4	27.9
2	BRAND B	17.9	12.0	12.2	14.0	12.4	11.7	13.6	12.6
3	BRAND C	11.5	8.1	10.7	9.8	11.8	11.5	8.6	9.4
TUNA, CANNED									
1	BRAND A	49.9	35.0	51.3	54.9	60.8	49.1	52.5	46.5
2	BRAND B	44.9	32.6	41.7	46.8	48.1	48.3	44.1	42.3
3	BRAND C	22.8	28.7	38.4	8.3	19.6	15.7	4.0	34.2
MEXICAN FOOD (PACKAGED OR FROZEN)									
1	BRAND A	45.7	40.5	56.1	50.9	45.2	56.4	55.5	32.3
2	BRAND B	35.5	28.8	46.6	41.8	43.3	29.6	18.4	30.3
3	BRAND C	9.7	NA	NA	NA	6.8	1.3	6.6	22.0
POTATOES, INSTANT									
1	BRAND A	39.9	41.6	45.3	45.7	50.7	36.9	34.2	43.6
2	BRAND B	30.7	27.5	29.6	30.6	31.5	24.8	25.8	28.7
3	BRAND C	21.1	17.2	23.1	20.8	23.6	17.2	9.2	23.1
RICE/RICE MIXES, FLAVORED									
1	BRAND A	33.8	25.8	38.0	35.9	39.1	28.2	39.3	36.7
2	BRAND B	28.7	22.9	27.0	30.3	27.2	27.1	29.3	29.6
3	BRAND C	23.4	21.8	16.2	20.2	24.0	23.6	24.6	25.0
FRANKFURTERS, WEINERS									
1	BRAND A	32.1	23.1	28.5	24.4	43.3	34.7	34.7	30.1
2	BRAND B	10.1	6.4	19.3	10.6	10.9	12.3	11.4	13.0
3	BRAND C	9.3	2.8	7.6	7.2	7.0	5.0	0.8	12.5
SOUP, CANNED									
1	BRAND A	74.3	65.6	74.3	80.2	79.9	72.1	67.5	73.1
2	BRAND B	28.3	23.8	28.7	30.7	24.7	30.7	31.0	26.9
3	BRAND C	14.9	7.4	12.5	17.0	17.5	15.2	18.2	13.0

The leading brands of both potato chips (★ ★) and corn/tortilla chips & cheese snacks (●) obviously maintain direct delivery systems capable of maintaining their brand shares from coast to coast. In the case of potato chips, however, a robust #2 escalates to first place in the South East and South West. For pretzels (●), not shown, the #1 brand, named by 29.3 percent, wins every region.

The categories here include many that are promoted almost weekly in store ads and on end-aisle displays. Millions of dollars in merchandising display allowances are the lifeblood of any brand that seeks to achieve or maintain #1 status in almost any of these categories.

Take, for example, canned tuna (★ ★ ★), an end-aisle stalwart whose two top brands fight it out to win, place and, on occasion, show at the regional level. The #3 brand nationally vaults to #1 position in New England, in stark contrast to its bleak showing in East Central and South West. For canned tuna, therefore, like so many specialty foods categories, local market performance is the only performance that's meaningful in planning space and promotional strategies.

The picture for Mexican foods (★ ★) is to a large extent one of two markets: one in which the most Mexican-Americans live and the other in which they don't. Ironically, the #1 brand of Mexican foods nationally withers to third place in the Pacific.

- ● #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

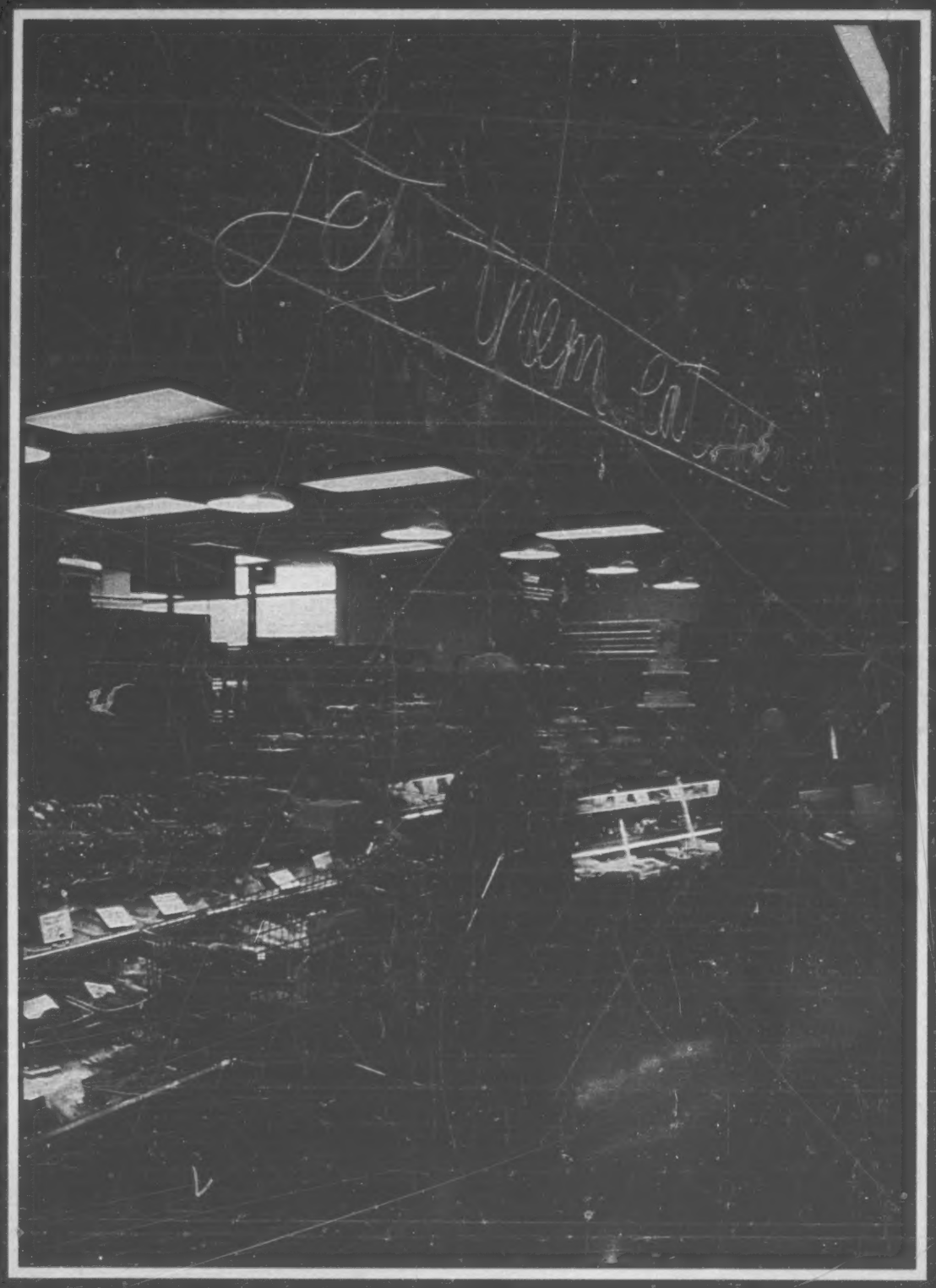
Source: Mediamark Research Inc.

SUPERMARKET BUSINESS

PART TWO OF TWO PARTS

MARCH 1987

InStore
BAKERY
BUSINESS



MEGAMARKET'S STYLISH BAKERY Page 16A

FIFTH ANNUAL BAKERY OPERATIONS REVIEW Page 3A

FIFTH ANNUAL OPERATIONS REPORT

INSTORE BAKERY REVIEW

BY DAVID LITWAK, DIRECTOR OF RESEARCH

5A	Bakery Census: Number of Instore Bakeries...Percent of Supermarkets with Instore Bakeries...Annual Sales...Average Weekly Sales
6A	Sales, Margins & Product Mix: Average Weekly Sales...Share of Total Store Sales...Change in Dollar Sales...Contribution to Store Profits...Gross Margins...Items/Lines Most Frequently Dropped and Added...Portioning Out the Instore Bakery Sales Dollar
7A	Space, Location & Equipment: Size of Department...Average Weekly Sales per Square Foot of Space...Preferred Location for Bakery...The Deli/bake Concept...The Well-Equipped Instore Bakery...Location of Bakeries by Store Format
11A	Labor & Service: Number of Employees...How Much for Labor...Cake Decorating...Time for Prep and Service...Average Weeky Sales per Employee...Self-Service Equipment...Service vs. Self-Service...Trends in Service
14A	Production & Supply: Methods of Production...Suppliers to Instore Bakeries...Warehouse vs. Direct Delivery...Merchandising & Customers: How Customers Spend...Advertising and Promotion Sell Instore Bakery...Bakeries' Share of Ad Space Compared to Share of Sales

For the past five years *InStore Business* has been annually reviewing the operations of instore bakeries. In this time, the department has grown and prospered, and become increasingly important to the store's total operations, in terms not only of image, but of traffic draw.

1986 was a year in which instore bakeries continued to grow in number, and in sales. Thankfully, this is nothing new. This review has been reporting this growth for five years. What is new is that the growth of supermarket bakeries is leveling off.

Instore bakeries, while very important to a store's image and bottom line, are no longer the new super departments of the store. Growth in the bakeries has become nice and even, and stable, perhaps even somewhat predictable. For instance, there are now 17,680 instore units, which is certainly a jump from the 13,800 we reported for 1982. The 17,680 represents an increase in the number of units last year of 4 percent, which is roughly the same size increase as we reported in 1985 and 1984. Contrast these with the jump in units of 13 percent that we reported in 1983.

In more than half of the stores

Bakeries are now in 57.6 percent of the nation's stores, an increase of 1.9 percent. The previous year, the percentage of stores with bakeries increased 2.2 percent. The first year that we tracked this statistic, the percentage of stores with bakeries rose 10.9 percent.

The slowing of instore bakery growth not only is evident in the number and percentage of units operating, but also in the sales of the bakeries. Today's instore units average sales of $4,750 per week, which looks much better to company management than the $3,834 that the bakeries brought in each week in 1982. These figures represent sales growth of 23.9 percent over five years, but only about 2 percent of that increased weekly sales growth happened in 1986.

A similar situation exists in the total yearly instore bakery sales: Sales in 1986 were $4.37 billion, up 6.25 percent over 1985. Sales in 1982 were a mere $2.73 billion, but they rose 19.0 percent in 1983, 12.3 percent in 1984 and 12.6 percent in 1985. The rate of bakery sales growth was, in effect, cut in half last year.

A mature department

When the increases in sales and units start to decelerate, it signals the maturing of a department. Looking at bakeries in stores, and at the basic operating statistics on these pages, one notices that a lot of the basic experimenting with the bakery set-ups is over. This certainly varies from operator to operator, but for many of the operators who responded to *InStore Business*'s survey who have had bakeries for a number of years, their units are set when it comes to basic operations.

This accounts for many of our review's findings, such as the number of full-time equivalent employees has remained constant (6.2); the cost of labor as a percentage of sales has remained around the 32 percent mark since 1983; the size of the average bakery unit has stopped going up, and actually declined for the first time in 1986. The average unit also tends to be fully stocked in terms of equipment, with over 90 percent having all of the basic production equipment listed on our survey.

One important thing to keep in mind when looking at a store department such as the bakery, is that a department beginning to reach maturity is still a very different entity than a department that is at the other end of the maturity scale, one that is beginning to decline. Unlike a product, or consumer brand, a store department, even one that has matured and shows

little growth, can be a viable profit center for years.

One luxury that bakeries are showing increased evidence of starting to enjoy, is selective experimenting. There is, by and large, no longer the wild momentous growth, which brought with it experimenting with basic design, optimizing of staffing and bakery size, positioning and equipment needs. Today's experiments deal more with how to maximize the basic unit that already has been created in terms of image and sales.

Into the higher range

One product trend that emerges in the review data is the willingness on the part of many operators to move into the arena of products that have traditionally been expressions of the higher range of the baker's art. The products that have increased in terms of their proportion of bakery sales, and those mentioned by operators as being products that are added the most, are fancy layer cakes, pies, gourmet cookies and custom-decorated cakes.

Retailers have upscaled the image of the produce, fish and deli departments. Now many operators are doing it to their bakeries as well.

Perhaps enhancing the bakery's image will help to solve the instore bakeries' most perplexing problem. Only 25.6 percent of a store's customers actually make a purchase from the instore bakery, this despite usually placing the bakery first in the traffic flow, and having the fresh-baked aroma hitting patrons as soon as they walk through the door. Even with only one out of four customers making a purchase, the instore bakery is still profitable, contributing an average of 3.5 percent of the store's overall profit from only 2.4 percent of its overall sales.

This just makes the problem more frustrating to some operators. Generate more customer sales, and you'll be bringing in more sales that are highly profitable. Retailers report that 52 percent of the time the bakery does receive a larger share of the advertising dollars than its share of store sales as a method of bringing in more customers. Perhaps the 6th Annual Instore Bakery Review will be able to report the solution to this problem.

(NOTE: The statistics presented in this section come from a mail survey of those responsible for directing instore bakeries at both supermarket and warehouse levels.)

BAKERY/CENSUS

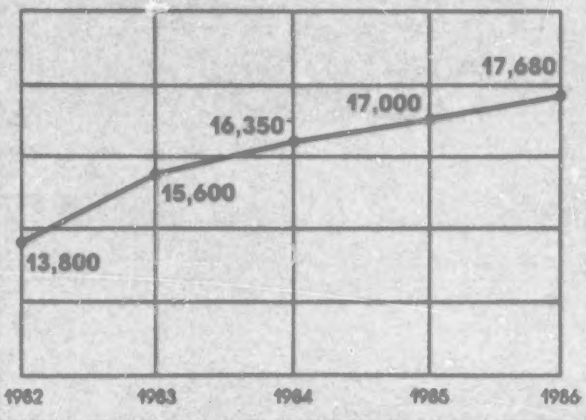
The retail bakery business is increasingly being revitalized by instore bakeries. In 1986, supermarket bakeries numbered 17,680 and had average weekly sales of $4,750. This represents the kind of high-traffic, high-volume department that would make most other retail bakery operations envious.

Instore bakery sales continued to rise in 1986, reaching the $4.37 billion mark. This can be attributed to a 4 percent increase in the number of instore units operating (17,680 in total), and a 2 percent increase in average weekly sales per instore bakery, which now reach $4,750. Both these increases are somewhat less than in previous years, indicating that with bakeries now in 57.6 percent of supermarkets, the instore bakery may have entered an era of slower growth.

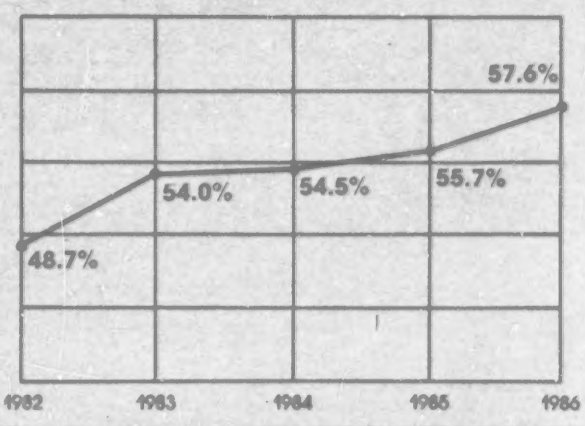
Is Portion of Store Overhead Allocated Back to Instore Bakeries?

Yes	42%
No	58%
Total	100%

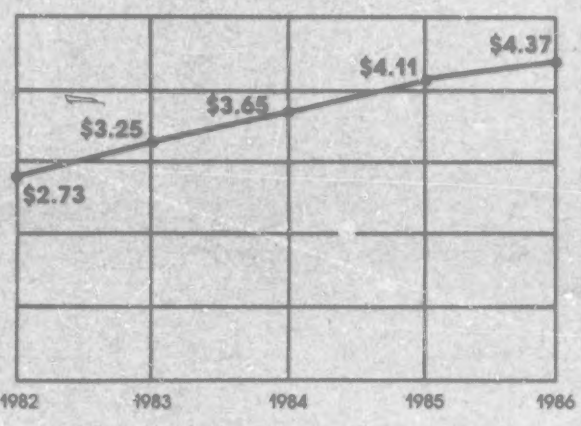
Instore Bakery Units



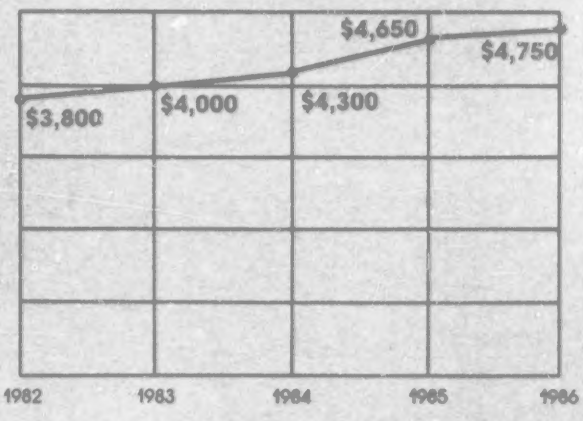
Percent of Supermarkets

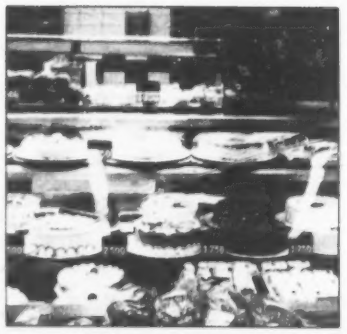


Annual Sales (billions)



Average Weekly Sales Per Instore Bakery





BAKERY/SALES, MARGINS & PRODUCT MIX

The measurable part of a bakery's contribution to a store's profits (3.5 percent) outstrips the portion of total store sales it represents (2.4 percent). Enhancement of the store's image, positioning and traffic pull are not so easily measured. The addition of pies, and decorated and fancy cakes enhance the instore bakery's image as that of a full-service bakery.

With gross margins of 50.8 percent, and weekly sales of $4,750, the instore bakery is becoming, finally, a healthy profit center for the supermarket. Of every $100 coming through a store's registers, the bakery pulls in $2.40, but that $2.40 is responsible for generating $3.50 of every $100 in store profits. Part of the increase in profit and the enhancement of the full-service image stems from bakeries' attention to consumer needs in the products they offer. While breads, rolls, and doughnuts still dominate the product mix, an increase in the sales of and the number of stores now offering higher-priced fancy cakes, pies and custom-decorated cakes has helped the bakeries' position with the stores.

Average Weekly Sales

Mean **$4,750** Median **$4,200**

$2,000 or less	5%
$2,001–$3,000	14
$3,001–$4,000	17
$4,001–$5,000	24
$5,001–$6,000	25
$6,001–$8,000	9
Over $8,000	6
Total	100%

Change in Dollar Sales
(1986 vs. 1985)

Higher	98%
No change	1
Lower	1
Total	100%

Share of Total Store Sales

Mean **2.4%** Median **2.3%**

Percent of Total Sales	
Less than 1.5%	5%
1.5–2.4	60
2.5–3.4	29
3.5 or more	6
Total	100%

Contribution to Store Profits

Mean **3.5%** Median **3.0%**

Percent of Store Profits	
Less than 2.0%	50%
2.0–3.9	4
4.0–6.0	9
6.0 or more	37
Total	100%

Gross Margin

Mean **50.8%** Median **50.1%**

Less than 40%	6%
40-49	30
50-59	41
60 or more	23
Total	100%

Bakery Items/Lines Most Frequently Dropped or Decreased

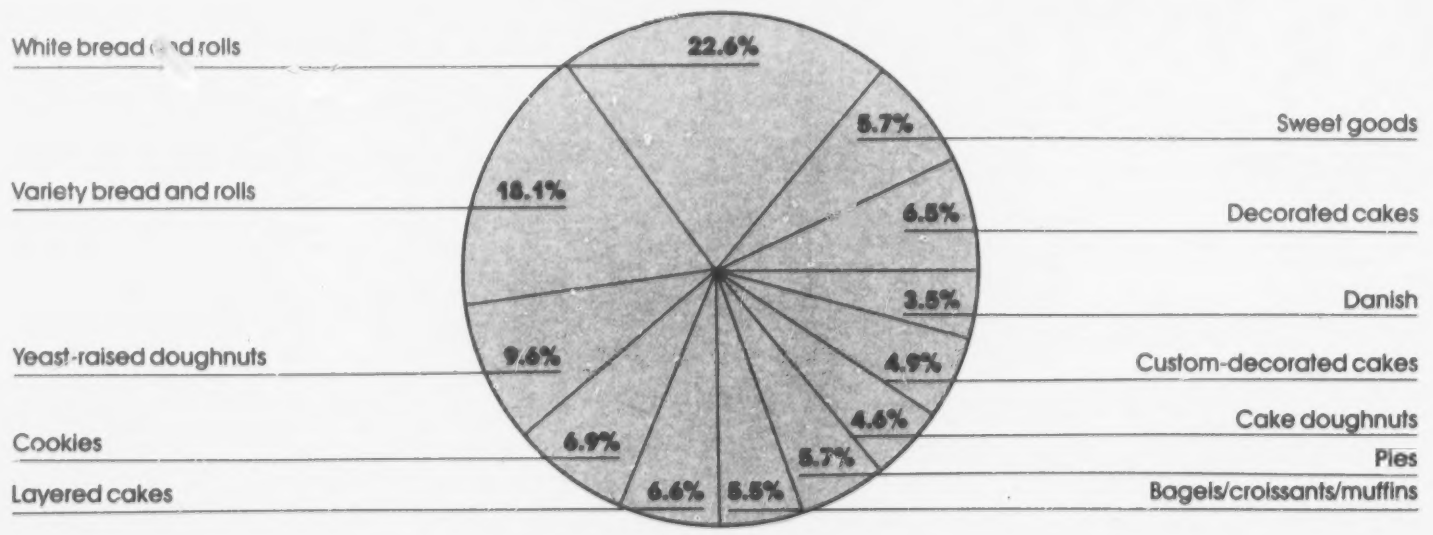
—Croissants
—White bread
—Variety/specialty breads

Bakery Items/Lines Most Frequently Added or Increased

—Pies
—Soft or gourmet cookies
—Muffins
—Decorated cakes
—Layer cakes
—Variety/specialty breads

Portioning Out the Instore Bakery Sales Dollar

Share of Sales



BAKERY/SPACE, LOCATION & EQUIPMENT

"Less is more" could have applied to new bakery units in 1986. While sales per square foot were increasing, the space occupied by the average unit decreased by more than 100 square feet. This occurred despite continuing trends to keep units well equipped and to separate bakery from service deli.

Size of Department

Square Feet of Space	
Mean	1,300 Square Feet
Median	1,400 Square Feet

Square Feet	
750 or less	6%
751–1000	25
1001–1500	37
1501–2000	17
Over 2000	15
Total	100%

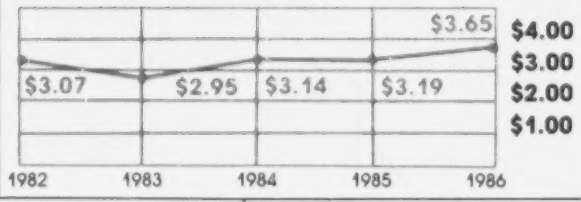
Share of Total Store Space	
Mean	4.4%
Median	4.7%

Percent Share	
2.5 or less	9%
2.6–5.0	65
5.1–7.5	20
Over 7.5	6
Total	100%

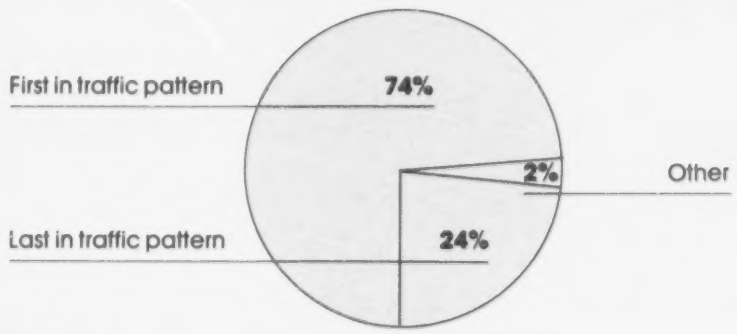
Average Weekly Sales Per Square Foot of Space

Mean	$3.65
Under $2.50	21%
$2.51–$5.00	72
Over $5.00	7
Total	100%

Average Weekly Sales Per Square Foot of Space



Preferred Location for Bakery



The Delibake Concept

Stores Combining Delis and Bakeries into a Joint Delibake Department	
Joint delibake	34%
Separate departments	66
Total	100%

The Well-Equipped Instore Bakery

Percent of Stores That Have

Proofer	99
Freezer	99
Mixer	99
Oven*	99
Retarder	98
Fryer/doughnut system	98
Refrigerated/frozen display case	90
Glazer	86
Packaging equipment	65
Sheeter	60
Automatic oven	32
Bread/roll plant	11

*Excludes automatic oven

25 50 75

With only 4.4 percent of a store's floor space (down from 4.8 percent a year ago), the bakery section has managed to increase its sales per square foot to $3.65. New, smaller bakery units have brought down the average size of a bakery unit to just about 1,300 square feet. Of course, unit size fluctuates with store size. With 57 percent of the units in conventional supermarkets, the smaller 1,300-foot unit seems to be optimal for the store size and sales level sought by their operators.

Both the service and prep areas appear to be smaller. The increase in on-premises equipment indicates that the emphasis on preparation of product on the premises has not waned. The combination of more efficient use of prep space, partly because of new streamlined instore equipment, and more space-efficient display casing has helped save bakery space.

Now 74 percent of operators report they have placed their bakeries at the beginning of their stores' traffic flow, often sharing the lead spot with the service deli or produce. The sight of high-quality baked goods and produce, coupled with the fresh-baked aroma, creates an image of freshness that's hard to ignore.

Location of Bakeries by Store Format

Percent Located in:	
Conventional	57%
Super Stores	33
Super Warehouse	10
Total	100%

BAKERY/LABOR & SERVICE

In a reversal of previous trends, bakery operators report that their units are moving more toward service, in keeping with the new products and image they are offering to customers. To date, the move toward service has not affected labor costs or added to the number of employees.

The previously reported trend toward self-service is both widening and narrowing at the same time. The number of stores that have some self-service equipment, such as roll bins and racks, has increased, but stores with other types of self-service equipment, such as refrigerated cases and display tables, have declined.

At the same time operators report that 38 percent of their sales come from service, up 3 percent from a year ago. While 61 percent report that they will be heading toward more self-service in the future, 14 percent say that they will go the service route, which is up 10 percent from last year. Seemingly, the decision to go one way or the other depends on the product mix. Those offering primarily bread, rolls and sweet goods tend toward self-service, while those offering more high-end items go with more service. Operators will undoubtedly spend the next couple of years seeking the proper format for their operations. The impact of the self-service vs. service mix will be felt most directly on bakery labor costs, which changed little in 1986.

Number of Employees

Full Time	2.9
Part Time	6.5
Full Time Equivalent*	6.2

Full-Time Equivalent Employees

1–3	9%
4–5	47
6–7	20
8–9	13
10 or more	11
Total	100%

*2 part-time = 1 full-time employee

How Much for Labor

(Labor as a Percent of Instore Bakery Sales)

Mean	32.1%
Median	30.0%
Under 26%	20%
26–30	33
31–35	34
36–40	7
Over 40	6
Total	100%

Cake Decorating

Percent of Stores Offering

Offer	79%
Do not offer	21%

Time for Prep and Service

Breakdown of Labor Hours

Customer service	38%
Other (incl. prep)	62
Total	100%

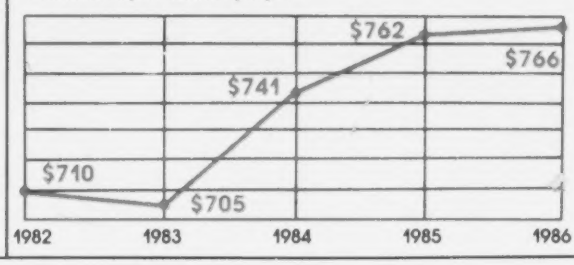
Average Weekly Sales Per Employee*

Mean	$766
$500 or less	14%
$501–$750	28
$751–$1,000	42
Over $1,000	16
Total	100%

*Full-time equivalent employees

Average Weekly Sales Per Employee*

*Full-time equivalent employees



Self-Service Equipment

Percent of Stores That Have

Display tables for packaged self-service	90%
Self-service racks (or shelves) without doors	58
Roll bins with tongs for self service	37
Free-standing self-service racks (on wheels)	29
Self-service refrigerated cases	27
Self-service racks with glass doors	26

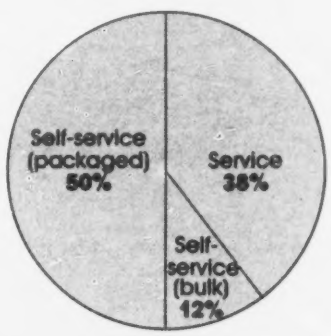
Service vs. Self-Service

Percent of Stores Offering*

Service	73%
Self-service (packaged)	100
Self-service (bulk)	37

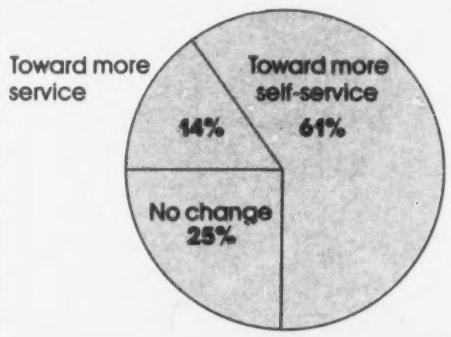
*NOTE: Includes multiple answers

Percent of Instore Bakery Sales



Trends in Service

Direction Instore Directors Expect Their Operations to Move



BAKERY/PRODUCTION & SUPPLY

Bake-off has declined slightly as the major method of production for instore bakeries. The gap between strictly bake-off and bake-off/scratch combination has narrowed. The grocery warehouse is still the most often used supply line.

Combination production is now the major method in 38 percent of bakery units, with bake-off accounting for the major method in another 42 percent. Scratch/mix is the major method in 20 percent. This shows the willingness of operators to experiment with different production methods, just as they try new products, to ensure optimal quality and freshness. The modus operandi now is to make some products from scratch, some from a mix, and still others from bake-off, whichever delivers the best product at the most efficient cost, with the particular skill of the labor available.

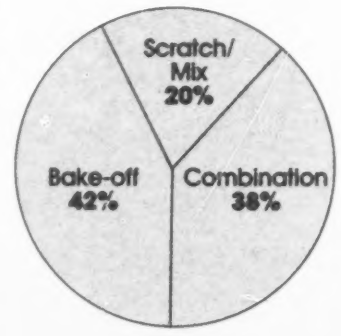
Methods of Production*

*NOTE: Includes multiple answers

	Bake-off	Mix	Scratch
Bread and rolls	78%	32%	39%
Yeast-raised doughnuts	69	53	11
Cake doughnuts	31	78	8
Sweet goods	72	31	31
Cookies	83	33	50
Pies	89	17	28
Layered cakes	61	55	27
Croissants	97	9	14
Brownies	47	50	24
Bagels	97	6	3
Muffins	42	61	17

Major Method of Production

Percent Using



Suppliers to Instore Bakeries

Percent Using*

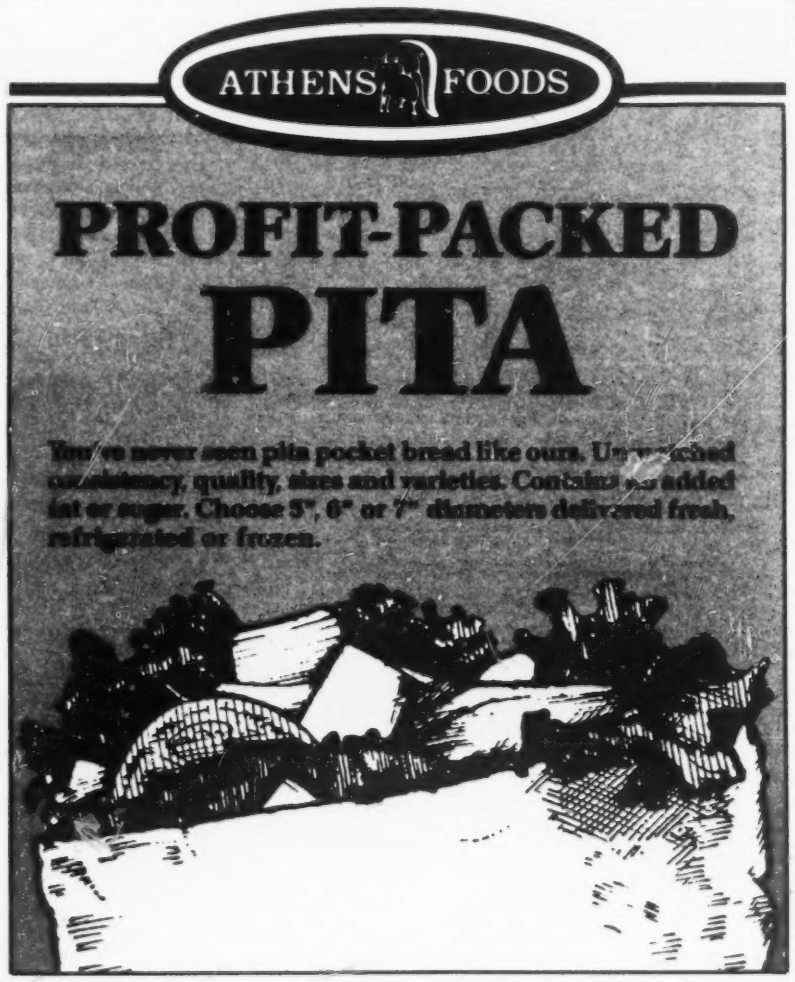
	Bakery Distributor/ Supplier	Grocery Wholesaler	Ingredients Manufacturer	Wholesaler Baker
Bake-off	51%	57%	29%	17%
Mix	73	13	43	3
Scratch	64	28	36	12

*NOTE: Includes multiple answers

Warehouse vs. Direct Delivery

Percent of Baking Ingredients Supplied

Through warehouse	64%
Direct to stores	36
Total	100%


ATHENS FOODS
PROFIT-PACKED
PITA
You've never seen pita pocket bread like ours. Unmatched consistency, quality, sizes and varieties. Contains no added fat or sugar. Choose 5", 6" or 7" diameters delivered fresh, refrigerated or frozen.
ATHENS PASTRIES & FROZEN FOODS, INC.
Fillo Dough • Strudel • Baklava • Spanakopita
13600 SNOW ROAD, CLEVELAND, OH 44142 (216) 676-8500

BAKERY/MERCHANDISING & CUSTOMERS

Bakery supervisors are still struggling with the problem of how to pull the three out of every four customers that walk past the department into their sales lines.

How Supermarket Customers Spend

Percent Who Shop the Instore Bakery

Mean **25.6%** Median **25.0%**

How Much They Spend

Mean **$1.22** Median **$1.12**

Advertising and Promotion Sell Instore Bakery

	Percent Using
Sampling	98%
Newspapers	92
Point-of-purchase	84
Circulars	76
Radio	22
Television	14

Bakeries' Share of Ad Space Compared to Share of Sales

Greater	52%
Less	36
Equal	12
Total	100%

Do You Consider Your Bakeries

Image/Traffic Builders	11%
Profit Centers	13
Both	76
Total	100%

Bakeries are right up front in most stores. They have attractive displays and wonderful aromas, but that still doesn't prevent 74.4 percent of all shoppers from walking right past them. Despite an increased use of sampling, newspaper ads, POP materials and circulars, and an ad budget that is greater than their proportion of store sales, the percentage of bakery shoppers has declined slightly in 1986. This problem is mitigated by the department's high weekly sales and increased profitability.

TOP 3 NATIONAL BRANDS

DRY GROCERY (FOOD)

RANK	FRUITS/JUICES/VEGETABLES, CANNED (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
MUSHROOMS, CANNED OR JARRED									
1	BRAND A	33.6	46.4	[illegible]	41.6	36.0	41.0	45.3	[illegible]
2	[illegible]	[illegible]	[illegible]	28.3	31.5	27.4	[illegible]	[illegible]	33.4
3	BRAND C	21.9	11.3	26.9	[illegible]	[illegible]	6.3	4.6	0.2
BEANS, PREPARED WITH SAUCE									
1	BRAND A	42.4	64.9	52.0	53.0	[illegible]	43.4	43.2	[illegible]
2	[illegible]	[illegible]	28.4	21.8	[illegible]	33.5	[illegible]	[illegible]	35.8
3	BRAND C	22.5	[illegible]	[illegible]	14.3	23.3	13.3	9.4	32.7
FRUIT JUICES/DRINKS									
1	BRAND A	28.7	35.7	30.7	29.8	27.5	23.2	21.0	34.2
2	[illegible]	[illegible]	16.8	22.7	25.1	[illegible]	[illegible]	[illegible]	[illegible]
3	BRAND C	17.5	[illegible]	[illegible]	[illegible]	20.5	13.6	10.0	10.3
TOMATOES, CANNED									
1	BRAND A	60.0	49.8	53.3	67.0	61.2	62.2	63.3	59.7
2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	BRAND C	11.2	21.6	20.0	2.5	3.8	10.7	5.6	16.5

RANK	OILS/DRESSINGS/CONDIMENTS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
MAYONNAISE/MAYO-TYPE SALAD DRESSING									
1	BRAND A	41.6	[illegible]	[illegible]	67.2	65.1	30.6	42.5	26.0
2	[illegible]	[illegible]	28.2	30.7	[illegible]	[illegible]	26.9	30.5	20.2
3	BRAND C	24.8	18.8	25.8	22.8	21.8	[illegible]	[illegible]	[illegible]
OIL, SALAD/COOKING									
1	BRAND A	39.2	29.5	35.4	47.3	41.0	43.1	46.3	[illegible]
2	[illegible]	[illegible]	[illegible]	29.5	[illegible]	[illegible]	[illegible]	[illegible]	29.1
3	BRAND C	24.5	25.1	[illegible]	23.0	24.0	25.3	20.5	22.6
SALAD DRESSING									
1	BRAND A	36.3	[illegible]	34.7	41.5	38.9	42.1	39.7	27.1
2	[illegible]	[illegible]	22.5	[illegible]	[illegible]	18.5	[illegible]	19.3	18.7
3	BRAND C	16.2	11.0	10.6	19.6	[illegible]	14.2	[illegible]	[illegible]
MUSTARD									
1	BRAND A	60.0	61.3	54.4	63.9	58.7	61.4	63.1	59.6
2	[illegible]	[illegible]	24.3	24.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	BRAND C	14.6	[illegible]	[illegible]	10.8	4.8	11.3	5.3	11.9

RANK	SPICES/EXTRACTS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
EXTRACTS									
1	BRAND A	50.7	[illegible]	50.0	[illegible]	50.9	52.0	58.1	83.9
2	[illegible]	[illegible]	20.3	[illegible]	29.1	[illegible]	38.2	32.9	15.9
3	BRAND C	20.3	8.1	13.6	12.1	18.9	[illegible]	[illegible]	[illegible]
SEASONINGS/SPICES									
1	BRAND A	39.0	56.3	41.4	39.3	40.6	40.1	41.7	47.4
2	[illegible]	[illegible]	25.3	34.8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	BRAND C	26.5	[illegible]	[illegible]	26.3	28.8	17.7	13.8	11.6

The canned fruit and vegetable aisle is, for the most part, relatively free of vigorous swings in brand leadership from one market to the next. For both canned/jarred fruit (•) and canned/jarred vegetables (•), for example, the #1 brand is used by over 50 percent of category users straight across the seven regions. (NOTE: Neither category is shown here.) The #1 brand also reigns without serious challenge at the regional level, but with smaller shares, as in the cases of fruit juices/drinks (•) and canned tomatoes (•)

Both canned/jarred mushrooms (★ ★ ★ ★) and beans in a sauce (★ ★ ★) show a more volatile pattern of use, with both the Pacific and New England regions calling for distinctive merchandising plans.

A coveted 60 percent usage rate can be claimed by both the #1 mustard (•) brand and the #1 ketchup (•) (not shown) brand. Those planning space allocation for mustard in the New England and Mid Atlantic regions, however, find that runner-up status must be ceded to the brand that's still only a laggard third in all points west.

The substantial share of users claimed by the #1 national brands in both extracts (★ ★) and seasonings/spices (★ ★) is eroded for both categories in the New England and East Central regions. Although the #2 brand claims leadership for extracts, #3 vaults to the top for seasonings/spices.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING—BY REGION)

DRY GROCERY (FOOD)

RANK	FAMILY BEVERAGES (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
COFFEE, GROUND									
1	BRAND A	17.7	20.1	23.7	23.9	33.0	19.7	27.4	23.0
2	BRAND B	16.7	9.5	11.9	14.9	19.4	18.0	23.6	17.4
3	BRAND C	16.3	4.6	8.3	14.7	10.2	5.6	11.6	7.1
COFFEE, INSTANT OR FREEZE DRIED									
1	BRAND A	19.5	23.9	20.5	19.5	23.3	15.8	31.3	26.2
2	BRAND B	16.9	12.8	13.8	11.0	18.7	14.7	15.2	18.7
3	BRAND C	14.4	12.8	11.6	12.8	15.1	14.2	14.5	9.8
DRINK ADDITIVES									
1	BRAND A	30.0	36.1	31.8	33.2	31.3	22.0	30.4	35.8
2	BRAND B	24.8	20.9	25.6	27.6	24.8	21.8	23.2	22.1
3	BRAND C	19.7	18.5	25.5	20.8	16.1	20.9	21.3	12.7
ICED TEA MIX, INSTANT									
1	BRAND A	51.1	50.9	44.8	47.6	52.8	52.6	61.5	54.7
2	BRAND B	26.4	20.1	26.3	44.3	41.4	37.6	33.1	40.7
3	BRAND C	5.8	9.0	5.8	6.2	4.8	5.0	6.2	5.8
NON-DAIRY CREAM SUBSTITUTES									
1	BRAND A	57.0	49.5	43.2	60.8	63.2	54.7	65.1	56.9
2	BRAND B	22.4	26.1	30.5	24.4	15.1	25.6	22.8	29.0
3	BRAND C	12.4	24.0	25.2	8.4	13.3	8.3	7.9	1.9
POWDERED SOFT DRINKS									
1	BRAND A	44.7	26.2	33.9	53.7	49.0	51.0	45.2	36.5
2	BRAND B	25.3	23.6	31.2	19.8	21.8	20.1	20.7	32.1
3	BRAND C	17.6	16.1	22.5	16.3	17.6	14.9	18.6	14.7
TEA, REGULAR (BAGS/LOOSE)									
1	BRAND A	41.1	20.7	35.4	45.4	46.1	43.6	46.6	41.2
2	BRAND B	17.4	12.8	12.7	19.7	24.1	17.8	21.8	19.9
3	BRAND C	11.6	12.3	12.8	10.3	15.3	5.3	5.3	16.4

RANK	SOFT DRINKS (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
COLA DRINKS, REGULAR, NOT DIET									
1	BRAND A	51.8	49.7	51.8	38.2	54.9	57.6	67.8	51.1
2	BRAND B	50.6	49.2	47.6	28.6	47.8	44.5	38.6	46.0
3	BRAND C	16.8	9.0	21.2	12.8	17.9	10.8	13.8	19.7
SOFT DRINKS, REGULAR (NOT COLA)									
1	BRAND A	34.2	32.4	28.2	38.2	44.7	26.1	34.4	40.2
2	BRAND B	21.4	24.8	28.2	25.8	18.6	23.8	29.8	18.7
3	BRAND C	19.2	7.6	11.1	19.4	17.6	23.8	14.0	16.7
SOFT DRINKS, DIET (NOT COLA)									
1	BRAND A	27.4	28.3	29.8	32.8	33.3	20.3	23.1	26.5
2	BRAND B	21.8	16.8	22.4	28.7	23.6	15.0	23.0	22.2
3	BRAND C	19.5	16.2	15.7	20.7	22.8	12.6	18.6	19.3
COLA DRINKS, DIET									
1	BRAND A	50.5	46.5	46.5	50.1	51.6	51.8	61.7	47.8
2	BRAND B	27.4	20.1	27.3	43.2	29.6	30.3	29.3	31.6
3	BRAND C	17.4	16.6	21.0	21.2	16.5	16.2	14.1	14.7

Regular or decaffeinated; brewed, instant or freeze-dried; black or with cream, coffee is a category that provokes a strong assertion of individual preferences—and that extends to brand choice.

Both ground coffee (★ ★ ★ ★) and instant or freeze-dried coffee (★ ★ ★) show a saw-toothed pattern of choices across the seven regions. Mountain-sized national promotional budgets that underwrite voluminous coupon drops keep both categories perking. Part of the fallout is evidenced by a brand of ground coffee that achieves #1 status nationally (with an outstanding 33.0 percent share in West Central), but that shrivels to single-digit size in three eastern regions.

In contrast, iced tea (•), regular tea (•) powdered soft drinks (•) and non-dairy cream substitutes (•) are crowned by #1 brands that reach across all seven regions, albeit with notable surges or shortfalls of strength in individual markets.

As any bottler can tell you, the so-called cola wars are fought on regional, not national, battlegrounds. While #1 holds sway across all regions in the case of diet colas (•), the non-diets (★ ★ ★ ★ ★) display a choppiness by region that keeps soft drink merchandisers' decisions fizzing.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING — BY REGION)

DRY GROCERY (FOOD)

RANK	BEER/WINE (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
BEER, DOMESTIC, LOW-CALORIE									
1	BRAND A	47.5	43.9	44.1	60.6	49.9	49.7	46.2	37.7
2	BRAND B	27.4	30.0	19.8	30.1	26.6	25.2	29.9	35.0
3	BRAND C	23.7	23.6	9.4	16.0	29.5	27.4	19.4	33.6
BEER, DOMESTIC, REGULAR									
1	BRAND A	40.0	41.9	38.9	34.9	31.1	40.2	43.7	49.7
2	BRAND B	21.6	31.2	21.8	28.7	25.4	24.4	26.3	29.7
3	BRAND C	21.3	16.7	8.7	17.9	20.8	22.2	19.1	13.9
BEER, IMPORTED									
1	BRAND A	48.7	53.3	51.3	45.8	52.3	53.3	40.4	43.7
2	BRAND B	19.0	29.1	27.2	31.7	23.7	19.2	13.1	17.0
3	BRAND C	17.8	16.1	15.7	20.5	12.9	16.3	7.0	10.8
WINE COOLERS									
1	BRAND A	54.4	55.2	46.9	61.2	56.6	53.2	55.3	60.4
2	BRAND B	49.5	43.2	46.1	39.3	53.6	46.8	39.0	60.3
3	BRAND C	18.8	15.8	15.2	19.4	23.0	26.8	16.8	13.1
WINE, SPARKLING									
1	BRAND A	29.0	25.9	19.8	23.2	32.7	40.0	34.9	31.8
2	BRAND B	16.4	23.0	18.7	25.6	17.7	14.4	9.9	23.3
3	BRAND C	12.4	10.9	10.7	6.0	10.1	8.8	8.4	8.0
WINE, DOMESTIC TABLE									
1	BRAND A	25.9	27.9	25.8	31.9	28.9	27.3	22.1	22.8
2	BRAND B	19.2	23.1	22.2	17.5	18.9	16.3	17.0	22.8
3	BRAND C	15.9	18.3	16.0	17.3	16.3	14.1	16.5	12.5
WINE, IMPORTED TABLE									
1	BRAND A	38.5	47.0	41.5	45.9	43.7	33.7	37.4	20.9
2	BRAND B	15.0	12.4	12.1	20.4	17.6	14.5	12.6	17.4
3	BRAND C	10.1	9.2	11.3	4.4	6.4	13.5	11.5	12.2

RANK	SAUCES (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
GRAVY/SAUCE MIXES									
1	BRAND A	24.5	9.0	19.7	30.6	33.7	30.1	34.2	41.6
2	BRAND B	22.5	6.3	17.4	13.7	26.7	24.7	20.9	26.0
3	BRAND C	16.7	4.3	2.8	9.5	20.7	12.8	17.1	18.5
BARBEQUE/SEASONING SAUCE*									
1	BRAND A	35.4	32.6	38.1	39.1	35.9	34.9	38.2	36.6
2	BRAND B	33.6	32.2	32.2	33.5	33.4	29.6	31.1	35.6
3	BRAND C	24.2	22.8	26.0	18.1	20.6	22.0	23.6	33.3
SOY SAUCE									
1	BRAND A	50.2	58.2	58.1	68.3	49.5	54.9	52.3	53.3
2	BRAND B	39.8	37.7	37.1	27.1	38.6	37.9	38.0	27.3
3	BRAND C	17.6	6.6	11.1	12.7	20.3	22.8	21.9	22.0
SPAGHETTI SAUCES									
1	BRAND A	32.3	30.8	36.6	33.6	33.4	31.0	29.8	28.4
2	BRAND B	26.2	20.7	25.4	28.0	29.0	28.5	22.3	25.2
3	BRAND C	19.6	18.2	17.1	18.7	18.1	23.3	21.5	19.9

*Includes Chili, Seafood, Steak, Worcestershire

The renaissance of local boutique-like breweries may make a hit with beer connoisseurs, but the movement is not strong enough to take the suds out of the top brand performers. For regular domestic beer (•) the #1 brand claims twice as many loyalists at the national level as closely tied #2 and #3, and spreads its strength evenly over all seven regions. The real battle—and one of interest to anyone allocating shelf or cooler space—is between #2 and #3, with each registering a clear-cut victory in three markets, and a near stand-off in the South East. For imported beer, too, the real friction is between #2 and #3 for runner-up status.

A relatively new category, wine coolers (★ ★ ★) is still in its shake-down period as far as brand supremacy goes. Both #1 and #2 have elicited trial by almost half of wine cooler devotees in all seven markets. Both, therefore, deserve time and space to prove their mettle. In the longer-established crush among table and sparkling wine contenders, clear-cut leaders have emerged to claim #1 status.

Somewhat surprisingly, the most aggressively advertised and merchandised category here, spaghetti sauce (•), shows an unruffled pattern of brand leadership across the seven regions. Local tastes, however, shake up the results for both gravy/sauce mixes (★ ★ ★ ★) and barbecue/seasoning sauce (★ ★ ★), two categories in which regional tastes must be identified and complemented in item authorization and shelf-space allocation.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING—BY REGION)

DRY GROCERY (NONFOOD)

RANK	PET PRODUCTS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
CAT FOOD, CANNED									
1	BRAND A	29.7	30.9	42.3	45.9	33.9	28.4	25.2	39.1
2	BRAND B	28.6	28.8	25.6	26.3	31.3	21.2	25.2	32.5
3	BRAND C	26.5	16.9	21.1	18.6	28.1	20.6	22.2	21.6
CAT LITTER									
1	BRAND A	27.0	22.3	29.8	31.6	37.9	32.7	32.7	19.3
2	BRAND B	25.0	18.0	23.6	25.8	28.0	23.4	30.8	18.7
3	BRAND C	20.8	15.9	21.2	18.6	19.2	15.1	24.4	16.7
DOG FOOD, DRY									
1	BRAND A	17.0	14.1	18.4	19.8	21.9	14.8	19.7	15.4
2	BRAND B	13.3	8.9	15.7	12.3	10.0	14.7	17.7	15.2
3	BRAND C	11.3	7.3	9.2	7.8	9.5	10.5	12.8	10.0

RANK	PAPER PRODUCTS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
PAPER NAPKINS									
1	BRAND A	23.6	27.0	26.6	28.7	25.1	25.0	27.1	21.5
2	BRAND B	20.7	11.8	14.4	23.5	22.5	23.7	18.9	14.5
3	BRAND C	15.2	8.8	12.6	17.1	16.3	16.1	18.3	13.3
DISPOSABLE DIAPERS									
1	BRAND A	58.1	61.6	63.3	62.1	58.4	63.1	57.8	48.9
2	BRAND B	45.6	47.4	42.9	41.1	58.4	38.4	55.8	40.8
3	BRAND C	38.8	24.6	38.0	37.1	35.8	37.0	42.7	38.2
PAPER TOWELS									
1	BRAND A	37.1	43.3	49.6	41.0	35.0	38.0	32.4	22.4
2	BRAND B	24.0	28.8	34.0	28.9	30.5	25.3	24.6	21.0
3	BRAND C	23.3	11.3	15.2	22.0	18.0	25.0	20.9	20.3

RANK	SOAPS/LAUNDRY PRODUCTS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
STARCH									
1	BRAND A	30.2	47.5	37.6	30.8	30.7	29.3	29.4	32.7
2	BRAND B	27.9	26.5	36.1	25.3	26.4	28.4	17.5	28.1
3	BRAND C	22.5	11.5	20.6	23.8	22.7	27.4	12.0	15.0
FABRIC SOFTENERS									
1	BRAND A	34.1	28.8	31.6	33.9	37.5	30.7	37.2	38.1
2	BRAND B	29.9	26.9	31.0	30.7	28.4	29.6	28.6	26.2
3	BRAND C	19.3	18.4	19.0	22.1	19.7	21.7	16.1	15.8
DISHWASHING LIQUID									
1	BRAND A	34.6	32.1	35.0	39.8	39.6	35.0	33.7	27.1
2	BRAND B	26.0	23.9	25.3	26.1	28.7	27.2	23.7	25.2
3	BRAND C	22.8	21.6	21.9	23.9	20.2	25.1	23.1	20.5
LAUNDRY DETERGENTS, REGULAR FABRICS									
1	BRAND A	31.8	23.4	24.2	35.6	23.6	42.0	39.9	25.8
2	BRAND B	15.2	17.8	14.5	19.6	16.8	17.9	19.1	12.7
3	BRAND C	14.6	7.5	13.3	10.7	12.2	15.0	17.3	12.5

Whether it's the cats themselves, or their owners, who are finicky isn't revealed by Mediamark's study. Whichever, eastern cats are eating the #1 national brand of canned cat food (★ ★ ★ ★) at a clawing pace, while it plummets to #3 status in four other areas. Some turbulence in cat litter (★ ★ ★) purchase patterns is also evident.

In the dog-eat-dog world of proliferating brands of dry dog food, all three top brands register smaller than 20 percent shares among users, bad news for stores that would like to bump any of the dozens of brands that constitute a gnawing space problem.

The paper department is the scene of some outstanding brand franchises, including (not shown) facial tissues (•), disposable cups (•) and toilet paper (•), all of which boast towering #1 brands that stretch from the Atlantic to the Pacific.

Barely excluded from that pattern is disposable diapers (★), where the #2 brand has seized pre-eminence in the coveted Pacific region. In the heavily merchandised plastic garbage bags (★) and plastic food bags (•) categories (not shown), national brand leaders have achieved a 40 percent constituency nationally.

Confronted with an ongoing barrage of claims and cents-off coupons, consumers might be excused for taking a muddled approach to brand selection here. But such is not the case, as a clear-cut #1 laundry detergent for regular fabrics (•) strongly outpulls its competitors in all seven markets.

In the case of starches (★ ★ ★), however, three vigorous contestants battle it out with different results in each of the seven markets, suggesting the need for different shelf allocation priorities in each market.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS

(PERCENT USING — BY REGION)

DRY GROCERY (NONFOOD)

RANK	TOBACCO/SMOKING PRODUCTS (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
CIGARETTES									
1	BRAND A	25.8	27.7	22.1	25.1	23.4	25.2	26.6	32.3
2	BRAND B	12.4	10.2	12.3	12.8	10.9	10.4	12.3	7.6
3	BRAND C	10.3	7.3	9.9	12.6	10.6	12.2	10.2	6.7
LIGHTERS, DISPOSABLE									
1	BRAND A	88.4	86.6	90.5	87.8	86.3	87.7	89.1	89.3
2	BRAND B	18.7	18.7	17.6	18.3	18.4	19.4	18.1	20.8
3	BRAND C	2.0	0.7	2.3	3.2	1.2	2.1	1.6	1.7

RANK	HOUSEHOLD CLEANERS/SUPPLIES (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
HOUSEHOLD CLEANERS									
1	BRAND A	28.9	34.5	36.6	31.6	27.5	31.0	34.8	33.4
2	BRAND B	27.1	33.8	29.2	28.5	26.5	25.5	22.5	28.3
3	BRAND C	27.0	22.4	25.6	26.2	26.0	22.6	13.3	18.8
INSECT REPELLANTS									
1	BRAND A	47.1	46.3	38.6	55.5	40.6	58.2	56.7	49.5
2	BRAND B	31.0	34.6	26.5	29.6	40.5	20.5	20.0	39.4
3	BRAND C	23.8	26.5	22.9	27.6	29.4	16.7	16.3	11.0
IN-TANK TOILET CLEANERS									
1	BRAND A	23.7	27.6	23.6	25.9	26.8	19.6	20.5	27.9
2	BRAND B	18.6	16.0	19.5	17.3	17.8	18.5	19.0	23.1
3	BRAND C	14.9	14.5	12.3	7.7	12.2	16.5	18.0	18.2
INSECTICIDES, OUTDOOR									
1	BRAND A	46.9	45.5	60.9	54.5	51.8	39.2	38.3	38.4
2	BRAND B	27.5	38.3	24.5	24.0	28.9	36.1	37.7	34.6
3	BRAND C	21.4	18.2	5.8	19.2	21.6	26.8	20.4	8.1
METAL POLISH									
1	BRAND A	33.0	35.6	22.8	26.6	28.9	51.4	52.8	36.2
2	BRAND B	23.0	18.2	22.4	24.1	27.6	27.0	20.6	30.9
3	BRAND C	21.3	15.2	7.7	23.0	24.2	17.6	11.8	30.4
AIR FRESHENER SPRAYS/ROOM DEODORIZERS									
1	BRAND A	36.5	35.9	35.9	40.2	36.4	33.2	35.8	39.1
2	BRAND B	21.1	24.0	13.9	23.9	19.9	21.8	24.2	17.4
3	BRAND C	12.8	6.9	13.6	13.2	13.9	12.5	13.6	11.7
LIGHT BULBS									
1	BRAND A	43.2	35.5	43.7	46.5	48.4	40.1	40.8	42.1
2	BRAND B	28.5	32.4	34.1	30.6	26.3	29.1	24.8	22.6
3	BRAND C	16.5	16.6	15.3	15.1	19.0	15.8	13.7	19.3
OVEN CLEANERS									
1	BRAND A	49.8	42.0	51.9	44.7	50.2	47.4	49.8	57.0
2	BRAND B	17.2	16.6	19.9	20.9	15.6	16.1	21.8	15.1
3	BRAND C	16.2	13.5	14.5	19.9	15.3	16.0	16.1	12.6
DRAIN CLEANERS									
1	BRAND A	37.0	45.3	37.5	36.9	38.1	36.8	35.9	37.1
2	BRAND B	34.8	36.7	33.9	33.3	38.0	32.8	34.5	35.6
3	BRAND C	29.4	28.2	30.4	33.0	24.1	32.8	31.5	21.4

While big-bang brands obviously are allotted extra space among the smokes, attention must also be paid to brand loyalists who'd rather switch (to another supermarket) than accept a substitute. Besides cigarettes, with its dozens of brand constituencies, such is also the case with moist snuff and chewing tobacco (not shown), whose many brands incite fierce local loyalties that must be catered to.

"New and improved" versions of old, family favorites vie with a surging stream of new product introductions in the household cleaners and supplies aisle. In the household cleaners category itself, dozens of brands (including liquids, powders and sprays), fight for shelf space and shopper attention. At the national level, a virtual three-way tie obtains, but regionally the #1 brand can claim up to 50 percent more buyers than the #3 brand, confirming the need for a cannily crafted space allocation policy based on local buying patterns. In three regions (New England, East Central and West Central), the #2 national brand jumps to first place, while in Mid Atlantic, the #3 brand takes the lead and pushes #1 down to third place.

While a strong #1 brand takes a 20 percent lead nationally in the outdoor insecticides (★ ★) category, merchandisers in both the South East and South West know that brand sells only sluggishly, as shoppers overwhelmingly favor the #3 national brand to mug their mosquitos.

Among the categories (not shown) in which a clear-cut #1 brand reigns across all seven regions are: glass cleaners (•), floor wax/polish (•), furniture polish (•) and scouring powder(•).

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING — BY REGION)

FROZEN FOODS

RANK	FROZEN FOODS (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
SNACKS (NOVELTIES)									
1	BRAND A	26.0	27.3	29.7	27.0	31.5	24.7	26.1	25.1
2	BRAND B	23.4	26.2	18.0	24.4	24.7	20.9	22.7	22.9
3	BRAND C	17.9	15.1	17.6	16.0	16.2	18.2	17.3	20.2
VEGETABLES, PREPARED									
1	BRAND A	54.4	62.0	62.9	55.0	52.6	58.0	47.3	55.7
2	BRAND B	51.6	53.4	50.7	53.4	51.1	49.6	45.8	46.4
3	BRAND C	9.7	3.4	6.7	13.0	7.5	16.2	9.0	8.2
DESSERTS									
1	BRAND A	32.8	36.7	38.4	18.5	18.9	40.9	36.9	42.9
2	BRAND B	28.8	31.2	26.1	17.0	18.8	20.9	18.2	8.7
3	BRAND C	14.5	23.8	19.1	6.6	17.3	14.1	13.7	8.3
COMPLETE DINNERS									
1	BRAND A	31.7	32.4	34.7	43.3	35.6	27.9	36.4	30.4
2	BRAND B	28.3	17.6	23.2	23.3	28.0	20.0	26.7	27.1
3	BRAND C	19.6	16.1	17.7	21.2	23.2	12.8	16.0	20.7
MAIN COURSES									
1	BRAND A	35.3	30.8	27.4	48.4	43.8	35.3	31.1	38.0
2	BRAND B	23.9	18.0	24.6	29.4	22.6	34.2	22.5	29.4
3	BRAND C	21.0	16.3	25.5	17.8	20.6	24.0	12.2	23.8
WAFFLES									
1	BRAND A	47.4	49.9	52.0	49.5	52.2	42.4	43.7	50.6
2	BRAND B	37.9	44.0	27.9	33.7	35.7	41.5	38.7	41.6
3	BRAND C	24.6	12.7	22.7	33.5	26.4	28.0	23.7	19.7
ORANGE JUICE									
1	BRAND A	24.1	20.2	22.2	31.1	23.1	20.0	28.9	27.1
2	BRAND B	16.1	17.1	17.3	19.1	15.2	18.5	22.5	13.7
3	BRAND C	15.8	12.1	16.3	13.6	11.1	15.2	15.8	11.9
SEAFOOD									
1	BRAND A	46.5	41.4	53.4	50.3	42.6	50.5	43.1	42.1
2	BRAND B	31.0	41.1	34.3	33.4	36.4	40.8	32.5	35.7
3	BRAND C	29.7	27.7	33.0	25.3	18.4	12.6	19.9	32.2
VEGETABLES, PLAIN									
1	BRAND A	39.8	50.4	42.8	35.5	39.5	41.9	37.6	36.7
2	BRAND B	33.8	31.7	32.2	35.4	34.2	40.9	34.3	28.6
3	BRAND C	9.3	1.3	2.5	31.6	14.3	1.9	6.1	1.8
POTATOES/POTATO PRODUCTS									
1	BRAND A	53.8	50.0	52.2	58.0	51.6	58.0	55.4	48.6
2	BRAND B	28.1	20.3	26.6	29.7	36.5	23.1	23.0	35.0
3	BRAND C	25.7	14.3	19.9	29.5	33.3	16.9	19.5	31.8

Competition for space, both among product categories and between brands within a category, has traditionally been fierce in the frozens department. Allocating freezer space on the basis of national sales patterns can be nonproductive at the regional level, as proved by the statistics shown here.

In the newly popular frozen snacks (novelties) (★ ★ ★) category, the relative popularity of various ice cream bars and sandwiches, fruit juice bars, pudding bars and gelatin bars shows distinct profiles by region, with only West Central, South West and Pacific consumers following the national 1-2-3 ranking. Volatility is likely to continue as new product introductions crowd the available space.

Other categories with tricky regional brand-choice patterns include prepared vegetables (★ ★ ★), desserts (★ ★), complete dinners (★ ★) and main courses (★ ★). In the case of both dinners and main courses, the sub-rivalry between regular and low-calorie lines registers in contrasting regional results.

Strong, across-the-board leadership by #1 brands of frozens is evident in categories such as potato products (●), and (not shown) fried chicken (●) and ice cream sherbert (●).

- ● #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING — BY REGION)

DAIRY

RANK	DAIRY (BASE = FEMALE HOMEMAKERS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
YOGURT									
1	BRAND A	22.5	20.5	30.4	34.6	33.3	30.4	26.4	26.0
2	BRAND B	22.0	16.3	27.8	23.3	23.0	18.0	24.2	11.0
3	BRAND C	18.2	15.0	16.7	18.6	13.6	14.8	12.4	0.5
ORANGE JUICE, REFRIGERATED									
1	BRAND A	35.0	39.6	45.7	32.3	30.9	42.0	32.8	32.3
2	BRAND B	30.0	30.9	33.3	32.1	24.9	32.7	21.0	21.6
3	BRAND C	18.0	10.2	21.0	18.9	18.9	11.0	15.2	13.5
MARGARINE									
1	BRAND A	19.2	13.7	16.4	25.3	24.8	17.5	23.6	16.1
2	BRAND B	16.7	8.9	13.8	20.0	19.0	17.4	19.1	12.2
3	BRAND C	13.9	3.8	8.3	17.3	13.7	16.1	17.0	11.8
CHEESE, PASTEURIZED/PROCESSED/AMERICAN									
1	BRAND A	43.1	36.5	43.7	46.3	43.8	46.9	43.5	38.3
2	BRAND B	32.2	21.6	29.7	35.0	41.1	28.1	35.0	26.0
3	BRAND C	7.1	24.9	11.6	6.0	9.0	2.0	1.1	5.4
CHEESE, NATURAL/IMPORTED									
1	BRAND A	36.3	31.2	34.5	39.2	42.7	39.1	44.1	26.9
2	BRAND B	13.6	15.3	18.0	19.3	14.2	11.9	17.4	11.6
3	BRAND C	12.3	8.0	12.4	12.4	12.2	11.6	8.5	7.4
REFRIGERATED DOUGH PRODUCTS									
1	BRAND A	34.8	22.6	34.9	40.1	31.5	38.1	41.9	22.6
2	BRAND B	17.0	22.6	23.1	14.9	21.8	12.3	12.5	17.7
3	BRAND C	12.6	2.9	11.8	13.7	12.1	11.9	12.0	17.1

As distribution strength of various yogurt (★ ★ ★ ★ ★) processors varies from region to region and market to market, so too does the ranking of brand popularity. That new brands, or brands with special positioning (e.g., low-calorie), can gain recognition and even strong preference among users is proved in the West Central, South West and Pacific, where the #2 brand nationally jumps to the lead, as well as in the Mid Atlantic and South East, where #3 substantially outsells all others. Yogurt eaters are almost by definition adventurous in trying something new, a fact that those in charge of space allocation can ignore only at their peril.

Fickle margarine (★ ★) users spread their allegiance thinly over dozens of brands that include diet, low-fat and unsalted versions, as well as stick, tub and squeeze bottle options. Price appeals in the form of manufacturer cents-off coupons or store specials continuously corrode brand loyalty.

HEALTH & BEAUTY AIDS

RANK	HBA/ORAL (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
MOUTHWASH									
1	BRAND A	33.1	32.0	33.8	35.7	35.8	36.9	37.6	30.5
2	BRAND B	31.6	31.5	30.1	31.3	32.4	29.5	30.0	24.3
3	BRAND C	13.3	14.2	13.6	12.0	13.7	11.9	15.9	13.6
TOOTHACHE/GUM/CANKER SORE REMEDIES									
1	BRAND A	43.6	54.0	62.0	35.2	42.5	40.9	37.3	45.4
2	BRAND B	29.6	27.6	22.7	34.4	35.8	37.4	36.2	34.2
3	BRAND C	27.5	13.9	18.6	28.3	16.9	28.6	30.2	16.8
TOOTHBRUSHES									
1	BRAND A	23.2	26.0	23.0	20.9	20.6	22.6	22.7	30.2
2	BRAND B	19.8	19.8	19.2	19.3	20.4	19.6	21.3	17.1
3	BRAND C	13.0	10.9	14.5	11.8	11.3	14.1	14.6	11.9
TOOTHPASTE									
1	BRAND A	27.0	28.6	25.8	26.1	29.4	26.7	24.9	27.7
2	BRAND B	17.3	14.9	18.4	18.5	16.4	15.2	18.5	17.5
3	BRAND C	13.2	9.0	12.3	15.9	13.9	13.9	13.1	11.8

With only a slim gap between the #1 and #2 brands nationally for mouthwash (★ ★ ★ ★), the #1 national brand registers a substantial lead in the South East, South West and Pacific, but narrowly fades to runner-up status in the other four regions, where both brands merit equal space and merchandising emphasis.

Brand loyalists have established a clear #1 across all seven regions for both toothpaste (•) and, more pointedly, denture cleaners (•), not shown, where half of users favor the same brand.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING—BY REGION)

HEALTH & BEAUTY AIDS

RANK	REMEDIES/MISC. HBA (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
COLD/SINUS/ALLERGY REMEDIES									
1	BRAND A	15.7	17.2	15.9	15.1	16.5	17.3	17.8	18.1
2	BRAND B	14.2	14.9	13.4	14.9	13.3	15.6	12.4	17.1
3	BRAND C	11.6	7.9	11.1	10.7	12.5	11.4	11.7	8.7
LAXATIVES									
1	BRAND A	21.4	16.2	19.7	15.0	16.2	30.9	27.2	16.0
2	BRAND B	14.9	12.1	15.0	13.2	15.3	13.5	16.9	15.0
3	BRAND C	12.0	10.8	9.3	13.0	14.5	10.8	10.7	11.2
MEDICATED THROAT LOZENGES									
1	BRAND A	34.3	31.9	33.7	29.8	33.1	38.7	38.4	32.8
2	BRAND B	24.2	28.0	23.6	25.1	29.1	20.0	17.0	28.9
3	BRAND C	18.5	27.0	17.9	24.8	19.3	14.5	13.7	19.1
UPSET STOMACH/INDIGESTION REMEDIES									
1	BRAND A	24.4	27.3	22.8	25.9	26.3	24.2	28.0	20.2
2	BRAND B	18.6	17.1	18.7	17.5	20.2	23.4	20.6	15.8
3	BRAND C	17.6	16.1	14.6	16.9	14.0	20.6	17.5	14.9
COUGH SYRUP									
1	BRAND A	38.8	42.5	44.0	39.3	35.5	36.8	36.6	36.9
2	BRAND B	18.1	15.8	18.6	18.9	23.6	16.1	19.9	17.6
3	BRAND C	15.2	13.3	15.2	13.1	14.7	13.9	17.3	16.4
DIARRHEA REMEDIES									
1	BRAND A	60.0	54.2	51.1	59.7	67.7	60.9	68.1	57.0
2	BRAND B	19.3	46.2	46.6	42.4	31.6	38.3	29.3	42.2
3	BRAND C	6.1	2.1	7.9	4.3	6.5	7.6	5.6	4.5
EYE DROPS/WASHES									
1	BRAND A	53.3	48.7	54.7	52.3	52.8	54.0	51.6	54.8
2	BRAND B	26.7	26.4	27.4	29.6	26.6	26.3	28.7	22.3
3	BRAND C	7.6	6.4	4.9	5.4	5.5	9.1	9.6	10.8
HEADACHE REMEDIES/PAIN RELIEVERS									
1	BRAND A	27.5	26.3	25.7	29.9	26.5	27.3	30.9	26.5
2	BRAND B	18.5	20.4	19.5	19.9	17.1	18.6	17.2	17.7
3	BRAND C	11.7	12.1	12.8	11.1	13.9	9.0	10.9	12.5
PAIN RELIEVING RUBS/LIQUIDS									
1	BRAND A	56.7	69.6	63.7	57.9	53.6	52.3	54.0	52.6
2	BRAND B	13.6	11.3	12.3	16.1	14.0	12.6	16.7	15.6
3	BRAND C	11.3	8.5	9.7	13.5	5.9	11.3	14.0	11.7
VITAMINS									
1	BRAND A	13.4	10.0	15.0	12.7	15.4	14.8	13.3	10.6
2	BRAND B	4.5	5.2	4.3	5.9	5.4	6.5	7.8	3.7
3	BRAND C	4.4	1.0	3.7	4.5	4.0	3.6	3.5	3.0

Both brand proliferation and brand loyalty characterize HBA's burgeoning remedies section. Even if #1 claims the lion's share of users nationally and in every region, planograms must make room for the runner-up brands that many users have found brings them relief from their ailments.

In three categories, the #1 brand can claim a coveted majority of users: diarrhea remedies (•), with 60.0 percent using the #1 brand; eye drops/washes (•) 53.3 percent, and pain relieving rubs/liquids (•), 56.7 percent. These are among the strongest demonstrations of brand leadership found anywhere in the supermarket.

While not at such a lofty share level, a #1 brand of remedy that stretches across all seven regions is also found in cough syrup (•), headache remedies/pain relievers (•), and vitamins (•). (In an environment of dozens of competing brands, the #1 brand of vitamin ekes out an allegiance among only 13.4 percent of users).

One of the most brand- and variety-crowded categories is cold/sinus/allergy remedies, with every region offering its own leading brand profile. Stuffy heads in New England and Mid Atlantic are treated differently from those in the South West and Pacific, a fact that local shelf allocations priorities should reflect.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc

TOP 3 NATIONAL BRANDS
(PERCENT USING — BY REGION)

HEALTH & BEAUTY AIDS

RANK	SKIN CARE (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
LIP BALM									
1	BRAND A	49.7	55.8	54.0	49.5	41.9	53.6	44.4	50.7
2	BRAND B	25.9	26.9	25.1	26.6	23.0	23.1	27.1	26.0
3	BRAND C	20.8	20.3	22.4	18.8	20.7	22.4	23.0	17.5
SUNBURN REMEDIES									
1	BRAND A	39.3	41.7	46.8	43.4	32.9	40.1	37.4	33.7
2	BRAND B	33.5	40.3	34.9	36.0	32.3	31.5	26.8	28.5
3	BRAND C	11.6	9.7	8.2	8.2	12.9	14.8	12.8	15.4
SUNSCREEN/SUNTAN PRODUCTS									
1	BRAND A	26.6	33.3	29.6	32.8	27.5	23.9	21.8	21.6
2	BRAND B	17.5	12.7	15.9	23.5	17.4	22.2	15.3	15.9
3	BRAND C	11.5	10.7	12.7	7.9	8.7	9.0	8.6	15.1

RANK	HBA MISC. (WOMEN) (BASE = WOMEN)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
PERSONAL CARE SOAPS (LIQUID)									
1	BRAND A	39.3	48.4	37.1	38.0	37.4	54.7	38.8	36.9
2	BRAND B	33.6	29.6	35.9	28.5	36.2	24.7	36.7	30.7
3	BRAND C	12.8	12.7	12.5	10.0	11.7	13.5	17.3	13.1
SANITARY NAPKINS									
1	BRAND A	21.2	25.1	25.8	27.6	28.3	21.6	19.9	16.3
2	BRAND B	19.7	18.5	20.7	19.4	18.1	16.6	13.4	16.2
3	BRAND C	15.0	12.5	17.3	14.4	16.6	12.3	12.9	14.5
PERSONAL CARE SOAPS (BAR)									
1	BRAND A	24.0	25.6	25.3	24.6	24.1	29.9	24.5	24.1
2	BRAND B	21.0	19.1	22.1	22.0	22.1	19.2	23.3	21.1
3	BRAND C	20.5	18.6	21.8	19.0	18.1	17.8	20.1	15.0
BATH/SHOWER ADDITIVES									
1	BRAND A	25.5	23.0	27.3	24.8	31.1	23.9	25.1	32.0
2	BRAND B	22.6	21.4	22.9	19.5	22.5	20.5	18.8	20.4
3	BRAND C	15.8	11.6	15.6	14.4	16.0	20.4	18.0	10.7
DEODORANTS/ANTIPERSPIRANTS									
1	BRAND A	12.0	11.1	12.8	12.4	12.3	11.7	13.4	10.6
2	BRAND B	9.1	10.2	10.3	10.1	11.6	7.8	10.3	7.5
3	BRAND C	7.9	6.4	6.8	6.8	8.7	7.4	8.0	7.4
RAZOR BLADES/RAZORS									
1	BRAND A	23.8	23.3	22.7	29.6	23.7	23.3	20.3	23.4
2	BRAND B	19.8	21.6	21.5	21.8	19.7	21.1	19.6	15.0
3	BRAND C	15.9	16.7	13.1	17.0	16.5	14.0	18.3	14.5
TAMPONS									
1	BRAND A	50.3	65.7	45.1	52.1	51.2	48.4	47.8	50.8
2	BRAND B	21.8	7.3	18.8	25.3	24.6	24.2	25.6	20.4
3	BRAND C	14.4	6.2	19.5	17.2	18.3	7.3	11.7	14.6
FACE CREAMS/LOTIONS									
1	BRAND A	22.3	21.3	22.6	23.8	21.4	22.9	19.5	22.9
2	BRAND B	12.6	14.3	12.3	15.3	16.6	15.2	16.7	8.5
3	BRAND C	12.1	10.5	11.8	13.5	10.0	10.9	10.5	7.7

Some well-established #1 brand leaders dominate several categories here, including lip balm (•), as well as (not shown): body powder (•) (#1 is used by 47.1 percent), and athlete's foot remedies (•), (with #1 claiming 39.5 percent).

In both the West Central and Pacific regions, the #2 national brand of sunburn remedies (★ ★) burns brightest.

In the relatively new category of liquid soaps (★ ★ ★ ★), two brands are punching it out for the #1 spot, with the #1 national brand winning by a wide margin in three regions, and the #2 national brand a less-decisive winner in the four other regions.

A not-so-new category, sanitary napkins (★ ★ ★ ★) continues to attract new brand entries, with varying success by market. With the #1 brand typically claiming only one in five users, space allocation can be a problem at both the warehouse and supermarket level.

By contrast, the tampons (•) category shows a leader with a 50.3 percent share of users nationally that is fairly consistent across all seven regions. Almost the same pattern holds for disposable razors (•), (not shown).

For both face creams (•) and body/hand creams (•) (not shown), a conglomeration of competing brands restrains allegiance to the #1 seller to a level of only one user in four. But for both categories, #1 extends its victory to every market.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

HEALTH & BEAUTY AIDS

RANK	COSMETICS (BASE = WOMEN)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
EYE SHADOW									
1	BRAND A	22.1	21.4	23.5	27.8	23.3	26.1	25.2	19.1
2	BRAND B	22.8	19.4	19.2	27.0	21.2	20.9	22.1	17.5
3	BRAND C	17.6	16.0	17.1	20.7	18.4	14.2	18.6	12.9
BLUSHER									
1	BRAND A	14.4	21.2	15.4	15.2	18.1	13.9	13.9	10.3
2	BRAND B	12.4	13.7	13.2	13.4	11.4	13.0	13.0	10.2
3	BRAND C	9.4	8.0	9.1	10.1	10.6	8.7	12.1	6.9
FACE POWDER/PRESSED									
1	BRAND A	19.8	27.9	16.2	25.1	21.3	17.7	22.1	22.1
2	BRAND B	15.0	20.8	14.5	14.0	18.9	14.5	17.1	13.3
3	BRAND C	12.8	15.8	12.5	10.0	14.8	12.2	12.6	6.0
LIPSTICK/GLOSS									
1	BRAND A	26.1	25.3	28.4	32.3	29.5	25.6	24.5	18.8
2	BRAND B	13.9	14.6	15.5	14.1	13.1	15.1	12.3	16.6
3	BRAND C	13.8	12.7	14.9	10.4	12.1	14.2	11.2	12.8
MASCARA									
1	BRAND A	32.8	27.9	34.6	35.2	32.4	32.5	37.0	29.7
2	BRAND B	19.2	24.8	16.0	24.0	16.9	22.0	19.6	16.1
3	BRAND C	13.6	10.4	15.7	17.8	16.0	11.3	13.5	8.3
PERFUME/COLOGNE									
1	BRAND A	21.5	23.8	18.8	27.3	30.7	19.9	21.2	14.2
2	BRAND B	15.1	10.5	14.1	17.1	13.7	16.2	18.1	11.9
3	BRAND C	10.0	6.6	11.2	10.8	9.7	10.7	10.1	8.3
FOUNDATION MAKE-UP									
1	BRAND A	26.7	31.1	24.9	26.0	26.7	29.9	26.6	24.1
2	BRAND B	13.3	16.4	12.3	13.9	16.5	10.3	15.7	10.7
3	BRAND C	11.0	12.3	11.4	13.1	13.9	9.1	9.2	7.5

RANK	HAIR CARE (BASE = WOMEN)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
SHAMPOOS									
1	BRAND A	12.1	12.1	13.0	12.0	14.0	12.7	12.8	10.3
2	BRAND B	11.4	10.1	12.4	11.7	12.0	9.2	10.6	10.2
3	BRAND C	8.5	9.2	8.0	10.5	8.3	8.6	9.8	6.1
HAIR SPRAYS									
1	BRAND A	16.3	15.5	18.0	19.9	16.4	15.1	13.6	18.8
2	BRAND B	13.7	13.7	14.5	13.5	16.2	13.1	13.2	12.8
3	BRAND C	12.3	9.8	11.4	12.3	11.5	12.3	13.2	9.5
COLORING PRODUCTS									
1	BRAND A	19.6	20.7	19.8	21.1	22.6	18.0	19.5	18.1
2	BRAND B	15.9	19.1	14.9	18.6	19.5	16.4	18.0	14.1
3	BRAND C	13.3	14.7	11.7	10.9	11.2	16.3	8.9	12.6
CONDITIONERS									
1	BRAND A	12.1	10.2	12.9	11.7	14.2	11.3	12.2	12.0
2	BRAND B	8.6	9.4	10.8	11.3	7.9	9.2	9.9	10.5
3	BRAND C	8.5	6.8	8.4	7.1	6.5	7.1	6.8	7.6

With cosmetics lines showing their face in an increasing number of supermarkets, albeit not in all brands, the question of brand allegiance among users confronts buyers and merchandisers.

Multibrand purchasing patterns are common in this area, as women experiment with different brands for different occasions. Still, for most cosmetics categories, a clear-cut #1 favorite reigns across the country. The #1 national brand of lipstick/lipgloss (★), for example, keeps a 10 percentage point gap between itself and the runner-up in six regions, dethroned only in the Pacific region.

Those living farthest west also express their individuality in perfume/cologne (★), where they are the only ones to anoint the #2 national brand with first-place eminence.

The popularity of brands sold only through home-selling networks or restricted to prestige outlets presents a challenge to supermarkets.

In the crowded shampoo (★ ★ ★) category, Mediamark records preference for over 50 brands. Small wonder then that the #1 national brand can claim only 12.1 percent of users and surrenders its lead in three regions. With their limited space, it's vital for supermarkets to identify the leaders of the pack locally and give them display prominence.

- • #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

Source: Mediamark Research Inc.

TOP 3 NATIONAL BRANDS
(PERCENT USING—BY REGION)

HEALTH & BEAUTY AIDS

RANK	MEN'S HBA (BASE = MEN)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
RAZOR BLADES									
1	BRAND A	27.5	33.6	31.2	25.7	25.6	23.5	30.6	28.7
2	BRAND B	23.2	20.7	22.2	25.6	24.1	23.6	18.7	23.5
3	BRAND C	7.3	3.6	5.5	5.8	8.6	8.8	9.0	7.4
SHAVE LOTIONS/CREMES/FOAMS/GELS									
1	BRAND A	20.6	27.7	24.6	23.0	20.9	17.9	18.6	17.5
2	BRAND B	14.6	14.7	14.1	16.8	13.1	15.7	16.1	16.8
3	BRAND C	14.3	10.0	12.4	13.7	12.9	13.6	14.4	14.9
COLOGNE/AFTER SHAVE LOTION									
1	BRAND A	23.7	25.8	24.1	24.7	23.9	22.9	25.3	21.3
2	BRAND B	15.0	17.1	14.8	14.8	16.2	15.7	14.5	16.6
3	BRAND C	14.6	16.9	14.7	14.4	13.1	15.6	11.4	13.2
DEODORANTS/ANTIPERSPIRANTS									
1	BRAND A	20.2	22.8	21.6	18.4	23.9	19.8	18.0	18.2
2	BRAND B	11.4	10.0	10.3	12.5	14.5	11.2	11.6	9.2
3	BRAND C	8.1	8.5	7.7	10.6	7.8	7.6	6.4	7.9
SHAMPOOS									
1	BRAND A	20.0	19.5	20.3	17.2	18.5	22.6	23.6	18.5
2	BRAND B	10.1	15.1	11.3	12.2	11.7	9.2	8.3	7.8
3	BRAND C	7.3	9.7	6.9	9.4	6.0	6.9	5.7	6.2

Region-to-region differences are not easy to find among the health and beauty aids products used by men. For most categories, #1 has been long established and maintained, so a seismic shock would be needed to blast it out of its slot.

For categories such as deodorants/antiperspirants (●) and shampoos (●), the facings in a supermarket in Levittown could reasonably be expected to resemble those in Laguna. Still, powerhouse brands (say, those with a 40 to 50 percent or more share) are scarce in men's HBA categories, suggesting that relatively slow-moving brands must sometimes be stocked to satisfy their regular users.

GENERAL MERCHANDISE

RANK	GENERAL MERCHANDISE (BASE = ADULTS)	TOTAL U.S.	NEW ENG.	MID ATL.	EAST CENT.	WEST CENT.	SOUTH EAST	SOUTH WEST	PACIFIC
VIDEO TAPES/DISCS									
1	BRAND A	23.9	31.2	32.2	28.5	26.6	24.2	22.3	27.0
2	BRAND B	22.9	23.7	23.7	27.8	24.1	21.3	19.2	26.0
3	BRAND C	22.4	19.3	17.5	17.0	21.4	15.1	15.8	18.8
MOTOR OIL									
1	BRAND A	28.2	36.6	34.7	32.1	37.8	33.1	31.5	42.2
2	BRAND B	16.2	8.5	11.7	28.7	21.5	21.8	20.7	14.7
3	BRAND C	14.8	8.3	10.6	20.9	16.3	11.2	9.8	14.5
BATTERIES*									
1	BRAND A	57.0	60.6	55.4	58.7	59.1	54.8	52.1	58.9
2	BRAND B	41.6	40.7	43.6	41.7	39.3	44.2	39.4	40.7
3	BRAND C	35.0	30.7	37.5	39.2	35.2	33.3	35.7	31.0
FILM									
1	BRAND A	81.9	85.4	81.6	84.3	84.5	80.3	79.0	79.3
2	BRAND B	13.3	11.2	12.1	11.4	10.8	10.9	13.3	22.6
3	BRAND C	8.4	7.5	8.0	7.6	7.9	9.7	8.1	8.3
PANTYHOSE/STOCKINGS**									
1	BRAND A	34.3	38.1	30.7	35.8	31.5	36.8	34.8	35.4
2	BRAND B	23.2	29.3	25.7	28.9	24.5	19.2	20.8	19.3
3	BRAND C	8.1	12.4	6.6	10.6	7.0	8.4	8.1	7.0
WRITING INSTRUMENTS									
1	BRAND A	63.4	61.3	66.2	67.2	66.1	65.2	61.1	54.7
2	BRAND B	19.5	21.1	14.2	17.6	18.1	21.0	16.7	21.1
3	BRAND C	16.2	17.1	14.1	15.6	18.7	16.2	15.0	17.3

Video tapes/discs (★ ★ ★ ★) exemplify the relatively new product category, in which several brands are fighting it out with quality claims and price gambits to win over consumers who lack a history of brand loyalty. As a result, regional differences resemble a checkerboard.

Such is not the case with four of the largest-volume categories of general merchandise in the supermarket: batteries (●), film (●), pantyhose (●), and writing instruments (●). All are spearheaded by powerhouse brands that sell well anywhere and everywhere, with #1's share falling short of 50 percent only in pantyhose.

- ● #1 National Brand is #1 in all seven regions
- ★ Number of regions in which #2 or #3 National Brand usurps first place from #1 National Brand

*Base = Female Homemakers **Base = Women

Source: Mediamark Research Inc.

THE NATIONS' TOP GROCERY COMPANIES

BY DAVID LITWAK, DIRECTOR OF RESEARCH

1986

A year of upheaval: The year the financial community discovered the supermarket.

For most of the country's leading grocery organizations, it was a year of modest growth both in sales and income. For some, it was a year of wheeling and dealing, that resulted in major changes in some of our most familiar faces.

SUPERMARKET BUSINESS last looked at the operating results of the industry's largest operators back in October 1985. Since then, a great deal has happened to many of these organizations, and to the industry as a whole. In the roughly five operating quarters since our last report, there have been a flurry of acquisitions of smaller regional firms by larger companies, especially within the wholesaler ranks, and a number of mergers among larger operators.

The accompanying charts chronicle the top 50 public and privately owned grocery organizations, their sales, earnings and, in some cases, their stock performance. The information in all 50 cases was gathered directly from the organizations, either through their own published disclosures, or in direct discussions with SUPERMARKET BUSINESS.

One noticeable change in the format of this review that reflects a definite change in the industry is that the 50 companies represent both wholesale and retail organizations, simply ranked together by virtue of their total sales.

The wholesalers that made it onto this list are all, to some extent, retailers. For instance, Super Valu Stores, which is either the largest or second-largest wholesaler, depending on how you classify them, is also among the top 30 companies in terms of strictly retail sales. But rather than putting Super Valu Stores and other wholesalers that have similar operations on two lists, thereby weakening the impact of the sales position of the total company, the organization is considered as a whole.

Wholesalers are increasingly turning to retail trade to maintain or increase their market share. In some cases, such as Super Valu Stores' Cub units, retail operations were developed by the company; in other cases, the wholesale organization took over, for various reasons, existing stores from their affiliated retailers.

Growth and earnings

If there is an indication of the health and strength of the grocery industry, and the major companies operating in it, it's the amount of attention that the industry has received from those outside it during the past year. This has always been a big industry, with a lot of well-run companies in it, but for the most part it was ignored by much of the financial community, both in terms of the potential growth of companies' stock by investment analysts, and takeover bids by outside companies and groups. That all changed dramatically in 1986.

The financial community, all at once, it seemed, after having temporarily finished with the consumer manufacturing companies, woke up and discovered that the American grocery industry generates a huge amount of sales, is profitable, and has some well-managed companies in it.

Among the much-publicized takeover attempts were those at Safeway and Lucky Stores, which had some drastic effects on the industry, and on those companies. Other companies began tightening their belts, and adopted measures to guard against hostile takeovers. Grocery stocks also became more attractive, with many feeling greater trading activity.

(As an aside to this, the other day SUPERMARKET BUSINESS received a call from an official of one of the larger Wall Street investment firms seeking information about the industry for the purpose of aiding them in setting up a unit to track and analyze grocery companies and their stocks. This is probably the third or fourth call like this SB received in recent months.)

During fiscal 1986, the 50 companies had combined sales of over $178 billion. This was a 9.5 increase over the previous year, and represented a good rate of growth for so large a segment of the industry. Topping the list of companies in terms of growth during this period was Shaw's Supermarkets, which posted a sales increase of 30 percent; on the other side of the spectrum was The Cullum Companies, whose sales dipped 11.5 percent. The chart on page 93 shows that most of the organizations tended to have more modest positive or negative growth.

Another important set of statistics is income or earnings. Many of the companies reported slower growth of earnings than their sales growth in 1986. In a substantial number of companies, the earnings fell between 1985 and 1986. In some cases the drop is dramatic, such as Kroger, whose earnings dipped 71.5 percent. There are also some tremendous earnings increases, such as Borman's 756 percent. Many of these are due to the firms' recovering from low, or in Borman's case, negative earnings in 1985.

Since reported earnings are, for the most part, numbers that are presented for the public record, they don't often tell the whole story of a company's health, position and how it got to that position.

The following examines what has happened at some of these companies. Not all 50 are examined, but the analysis does focus on those with the greatest activity.

Safeway Stores Inc.

Safeway is to date the largest American grocery company, and as such had the largest share of change in 1986. The takeover bid of Safeway by the Dart group resulted in its merger into Safeway Stores Holding Corp., a company formed by Kohlberg

SALES AND NET INCOME OF TOP GROCERY COMPANIES
(RANKED BY SALES VOLUME)
(Add 000 to all dollar figures)

86	Company	Fiscal Year	1986 Sales*	1985 Sales*	% Change	1986 Income	1985 Income	Net Change	% Change	Stores Operated or Supplied 1986	Stores Operated or Supplied 1985
1	Safeway Stores, Inc.	12/86	$19,685,342[1]	$19,650,542	NDC	$176,700[1]	$231,300	$ NDC	NDC	2,154	2,365
2	The Kroger Co.	12/86	17,122,518	15,966,620	7.2	51,492	180,749	-129,257	-71.5	1,367	1,318
3	American Stores Co	2/86	13,889,528	12,118,793	14.6	154,470	185,525	-31,055	-16.7	1,493	957
4	Lucky Stores, Inc.	2/86	9,382,529	9,236,529	1.6	86,526	94,631	-8,105	-8.5	625	622
5	Great Atlantic & Pacific Tea Co.	2/86	8,842,996[2]	8,049,278[2]	9.9	105,399[3]	228,807[3]	-123,408	-53.8	—	—
6	Southland Corp.	12/86	8,600,000[4]	8,578,000	0.3	200,000[4]	212,535	-12,535	-5.9	7,834	7,804
7	Winn-Dixie Stores, Inc.	6/86	8,225,200	7,774,480	5.8	116,391	107,895	8,496	7.9	1,262	1,265
8	Super Valu Stores	2/86	7,906,016	6,547,680	20.7	91,247	83,262	7,985	9.6	2,990	3,320
9	Fleming Companies	12/86	7,750,000	7,094,991	7.9	39,300	60,100	-20,800	-34.6	3,900	3,910
10	Supermarkets General Corp.	1/87	5,500,000	4,960,045	10.9	NA	63,712	—	—	327	293
11	Albertson's Inc.	1/87	5,378,000	5,060,265	6.3	NA	85,110	—	—	425	444
12	The Stop & Shop Co., Inc.	1/87	4,000,000	3,700,000	8.1	NA	30,300	—	—	113	120
13	Publix Super Markets	12/86	3,760,000	3,445,518	9.1	NA	71,827	—	—	307	287
14	Wetterau, Inc.	3/86	3,482,315	3,100,661	12.3	31,825	26,556	5,269	19.8	2,500	2,400
15	Malone & Hyde, Inc.	8/86	3,200,000	3,100,000	3.2	NA	NA	—	—	2,000	2,180
16	The Vons Co., Inc.	12/86	2,900,000	2,639,000	9.0	NA	NA	—	—	307	287
17	Scrivner, Inc.	12/86	2,800,000	2,772,000	.01	NA	NA	—	—	2,700	2,700
18	The Grand Union Co.	3/86	2,611,616	2,529,392	3.3	20,493	5,328	15,165	384.6	371	383
19	Food Lion, Inc.	1/87	2,406,582	1,865,632	29.0	61,822	47,585	14,237	29.9	388	317
20	Giant Food, Inc.	2/86	2,247,218	2,138,789	5.1	57,003	45,221	11,782	26.1	136	131
21	The Circle K Corp.	4/86	2,111,267	1,682,164	25.5	39,766	33,421	6,345	19.0	3,372	2,669
22	Ralphs Grocery Co.	2/86	2,100,000	NA	—	NA	NA	—	—	151	126
23	H.E. Butt Grocery Co.	11/86	2,060,000	1,936,400	6.0	NA	NA	—	—	148	148
24	Roundy's	1/87	1,807,143	1,810,504	-0.2	2,402	3,978	-1,576	-39.6	1,614	1,623
25	Associated Wholesale Grocers	12/86	1,663,000	1,574,861	5.7	Coop	—	—	—	—	—
26	Certified Grocers of Calif.	8/86	1,624,005	1,796,384	-9.6	Coop	—	—	—	—	—
27	Fred Meyer, Inc.	2/86	1,583,296	1,449,108	9.3	19,467	15,589	3,878	24.9	93	90
28	McLane Co.	1/87	1,568,000	1,144,640	27.0	NA	NA	—	—	NA	NA
29	First National Supermarkets	3/87	1,500,000+	1,365,000	9.0	NA	NA	—	—	132	136
30	Nash-Finch Co.	12/86	1,500,000	1,327,400	13.0	13,800	12,006	1,794	14.9	91	90
31	Super Food Services	8/86	1,422,300	1,397,400	1.8	10,600	9,200	1,400	15.2	825	800
32	Gateway Foods	9/86	1,400,000	1,200,000	11.7	NA	NA	—	—	2,200	—
33	Hy-Vee Food Stores	9/86	1,350,000	1,235,250	8.5	NA	NA	—	—	166	156
34	Spartan Stores	3/86	1,344,878	1,312,601	2.4	Coop	—	—	—	480	471
35	Giant Eagle, Inc.	6/86	1,300,000	NA	—	NA	NA	—	—	110	86
36	Bi-Lo, Inc.	12/86	1,127,129	1,083,171	3.9	NA	NA	—	—	160	155
37	Weis Markets	12/86	1,101,473	1,017,173	8.3	65,261	60,144	5,117	8.5	116	122
38	The Cullum Co.	6/86	1,036,450	1,171,691	-11.5	18,094	17,225	869	5.0	79	65
39	Bruno's, Inc.	6/86	1,018,854	866,748	17.6	30,251	24,552	5,699	23.2	105	85
40	Borman's, Inc.	1/86	987,188	1,025,920	-3.8	7,338	-1,119	8,457	755.8	82	85
41	Richfood, Inc.	1/87	967,297	892,249	8.4	Coop	—	—	—	615	600
42	P & C Food Markets	12/86	952,516	867,742	8.9	6,493	NM	NDC	NDC	90	88
43	National Convenience Stores	6/86	949,874	927,507	2.4	3,582	15,509	-11,927	-76.9	985	1,130
44	Shaw's Supermarkets, Inc.	12/86	909,417	710,524	30.0	14,846	10,694	4,152	38.8	44	43
45	Associated Grocers, Inc.	9/86	902,007	905,942	-0.4	Coop	—	—	—	435	390
46	Smith's Management Corp.	12/86	900,000	837,000	7.0	NA	NA	—	—	97	121
47	Furr's, Inc.	12/86	900,000	657,000	27.0	NA	9,000	—	—	128	99
48	Convenient Food Mart, Inc.	12/86	900,000	843,300	6.3	NA	1,800	—	—	1,306	1,223
49	Hannaford Bros. Co.	12/86	891,900	807,019	11.4	18,800	14,399	4,401	30.6	73	75
50	Stater Bros. Markets	9/86	890,900	787,894	13.1	3,741	2,571	1,170	45.5	94	94
	TOTALS		178,465,256	162,960,810	9.5	1,447,109	1,989,412	NDC	NDC	44,900	41,873

*Total Company Sales & Net Income

NA = Not Available
NDC = Not Directly Comparable

Coop = Cooperative Wholesaler, Net Income does not apply
NM = Not Meaningful

[1]Composite sales & income from 4th quarter 1985 & 3 quarters 1986
[2]Composite of A&P, Shopwell and Waldbaum Sales
[3]Composite of A&P and Waldbaum's Net Income
[4]1986 Sales and Income restated due to sale of Citgo holdings

HOW SOME TOP PUBLICLY OWNED GROCERY COMPANIES PERFORMED

1986 Range: Low — Last — High

Value Line Projected Range 1989-1991

Company	PRICE ($) 0 20 40 60 80 100	P/E Ratio	Estimated Earnings per Share	Dividend Yield (%)
Albertson's		13.9	2.95	1.9
Allied Supermarkets		33.3	.26	Nil
American Stores	120	15.0	3.75	1.6
Arden Group Inc. "A"		10.1	2.50	Nil
Borman's Inc.		7.2	2.50	1.0
Bruno's Inc.		20.0	.77	1.2
Circle K		17.0	.90	1.8
Delchamps		16.0	1.15	1.2
Fisher Foods		*	.85	0.5
Fleming Cos.		14.7	2.35	2.9
Food Lion "B"		38.5	.35	0.3
Giant Food		18.7	1.60	2.3
Great Atlantic & Pacific Tea Co.		15.0	1.60	1.7
Hannaford Bros.		17.0	2.00	1.6
The Kroger Co.		18.6	1.75	3.5
Lucky Stores		23.9	1.15	3.6
National Convenience Stores		31.3	.15	Nil
Pueblo International		11.2	1.65	1.1
Safeway Stores **		23.8	2.50	2.8
Southland Corp.		11.8	2.20	2.4
Stop & Shop	105	17.2	3.14	—
Super Food Services		15.0	1.48	1.6
Super Valu Stores		19.3	1.25	1.9
Supermarkets General		15.3	1.80	1.0
Weis Markets		16.7	2.10	1.7
Wetterau		14.8	2.80	2.7
Winn-Dixie		17.8	2.84	4.0

*No meaningful figure **Safeway Stores no longer trades Source: The Value Line Investment Survey, Edition 10, Nov. 28, 1986

Spot Trends

"As director of non-foods purchasing for HEB, I go to the FMI Convention on a somewhat special mission to find unique displays and fixtures for use within the non-foods department. I find ways to mass display our product and make the non-foods area of the store a more exciting place for the customer to shop. Also, looking at the food products and general merchandise that are available here, I hope to pick up on some general trends evident in the food industry which I can use within the non-foods section of our store."

—Roger Davidson, General Merchandise Manager, H.E. Butt Grocery Company, San Antonio, Texas—

For fifty years the Supermarket Industry Convention has been showcasing the lastest products, equipment and merchandising strategies for leaders of the food distribution industry.

If you plan to go to *any* convention this year, mark your calendar today to be at Chicago's McCormick Place, May 3-6, because the FMI Convention will display hundreds of products and program ideas that can help you make your stores more profitable.

For the first time, the show will feature a special Health and Beauty Aids Pavilion, more than 100 nonfoods exhibits, and six special workshops tailored to GM/HBA managers.

Make plans now to attend. Call Food Marketing Institute Convention Services at (202) 452-8444 for more information.

50 YEARS Showcasing Industry Innovation

FMI FOOD MARKETING INSTITUTE 1750 K Street, NW Washington, DC 20006

THE 1987 SUPERMARKET INDUSTRY CONVENTION AND EDUCATIONAL EXPOSITION

May 3-6, McCormick Place, Chicago, Illinois

© FMI, 1987

Kravis Roberts & Co. Safeway, in essence, has become a private company. As a matter of fact, it is probably one of America's largest private companies. Its stock is no longer available as such but has been converted into junior subordinated debentures.

What is still to be determined is which of Safeway's divisions will be sold to finance the new company. As of this writing, the company has already completed deals for the sale of its United Kingdom and Australian divisions, and rumors of which American divisions are on the block are still circulating throughout the industry. The outcome of these transactions will determine whether the new Safeway will still be America's Number 1 chain at the end of 1987.

Despite the changes, Safeway's sales for the last four quarters (fourth quarter of fiscal 85, and first three quarters of fiscal 86) were slightly ahead of fiscal 1985; earnings, although not directly comparable, were down.

The Kroger Co.

Kroger remains the nation's Number 2 grocery retailer, at least until the final makeup of Safeway is known. Fiscal 1986 was a good sales year for Kroger, which posted a 7.2 percent increase despite internal feuding among top management that led to the resignation of William Kagler as President.

Kroger also made the decision in 1986 to leave the St. Louis market, where it either closed stores or sold them off to various market competitors. Additionally, Kroger closed about 45 other unprofitable stores,

and reduced headquarters staff in its efforts to restructure. Kroger's 7.2 percent sales increase does not include any revenues generated by the sale of its freestanding drug store units.

The drop in net earnings (−71.5 percent) resulted, according to the company, from changes of the restructuring due to store closings, early retirement inducements, sale of the drug chain, and the establishment of a charitable foundation.

American Stores Co.

American Stores posted a sales increase of 14.6 percent in 1986, but its earnings were off 16.7 percent, although it still earned over $154 million last year. American Stores announced that it was restructuring much of its operations in 1986, splitting food stores into two units, eastern and western, and integrating all of its drug operations into one national unit.

This has been a major undertaking for American Stores, which has traditionally left Skaggs, Skaggs Alpha Beta, Jewel and Acme as semi-autonomous divisions. While earnings are down, American Stores' shares have had a good deal of movement in 1986 and, according to the Value Line Investment Survey, should climb to higher ranges in the next 4 years.

One potential problem for this company is a class-action suit against Jewel Companies and its Hilltarm Dairy, due to an outbreak of salmonella poisoning last April.

Lucky Stores Inc.

Lucky Stores had a modest sales increase of only 1.6 percent in 1986, combined with a decline in earnings of 8.5 percent. Lucky's stock has not performed as well as some investors had hoped, which may have prompted the much publicized takeover bid by Asher Edelman. The bid has been repeatedly fought off by Lucky's directors, and renewed by Edelman.

Lucky has announced a major restructuring in response to stockholder pressure, which will take Lucky out of many non-food related ventures. It has already closed its Gemco division, and agreed to sell Gemco's real estate holdings to Dayton-Hudson. Lucky also is reported to be divesting itself of its specialty fabric, auto parts and home center operations.

Great Atlantic & Pacific Tea Co.

Look out folks, here comes A&P again. After some years of pulling back and restructuring, A&P is aggressively looking to expand its operations. Since April 1985, A&P has made three major acquisitions. In 1985 it acquired Dominion Stores in Ontario, and in 1986 it acquired Shopwell, both stores and warehouse operations, and it set up a joint venture to acquire Waldbaum's. These last two acquisitions have resulted in a strengthening of A&P's position in its home base, the New York metropolitan market, where it has now topped Supermarkets General Corp.'s Pathmark division for the largest market share.

Additionally, A&P has made an effort to play a more effective role in the upscale segment of the market, with the development of its Future Store and Bazaar formats, and the acquisition of Shopwell's Food Emporiums. Despite these acquisition successes, A&P was disappointed in its effort to acquire Delchamps earlier this year.

A composite of sales and earnings for A&P, Waldbaum's and Shopwell shows a sales increase of 9.9 percent. Earnings, while projected to be down for the combined operations, are not now meaningful.

Southland Corp.

Southland's sales were restated to reflect only food and gasoline retailing, in 1985 and 1986, where it showed a marginal sales increase (0.3 percent), and a profit decrease of 5.9 percent. The sales figures do not reflect the sale of 50 percent of Southland's Citgo Petroleum unit to the Venezuelan state-owned oil company. This sale generated a profit of 24 percent, according to a company official, and also ensures Southland a steady supply of gasoline.

In 1986, Southland acquired Hy's Dairy Stores, while selling Gristede's, a New York-based chain, to Red Apple Companies. The actual retailing results from Southland's 7-Eleven chain have been hurt somewhat by the economy in some of its market areas.

Winn-Dixie Stores Inc.

Winn-Dixie's income rose a healthy 7.9 percent, and its sales increased 5.8 percent in 1986. One reason for the increased sales is the company's policy of opening new stores, remodeling older profitable stores, and closing unprofitable stores. Winn-Dixie's stock has been very active this year, hitting a high of $59 a share, before declining again. This has been attributed to speculation that Winn-Dixie might be a takeover

GROCERY COMPANIES

During fiscal 1986, the top 50 companies had combined sales of over $178 billion. This was a 9.5 percent increase over the previous year, and represented a good rate of growth for so large a segment of the industry.

Bring Key People

"We come to the FMI show for new ideas, new ways of doing things, meeting new people, seeing new exhibits, new products, new ways to display and merchandise products, that we can take back and apply to our business. I bring key people from the company with me every year; merchandisers, operating people, equipment buyers, a whole range of people within the company. We split up the floors, split up the workshops. We visit the different areas, collect ideas, then meet every night in the hotel to go over what we did the previous day. It's a great place to get information for your company and be able to go back and apply it to your day to day business."

—*Ed Hill,* President and CEO, ABCO Markets, Inc., Phoenix, Arizona—

The FMI Convention is an industry showcase, a gigantic forum where retailers and wholesalers come together to closely study the fundamental changes taking place, to exchange information, and to make plans for tomorrow.

And this year's convention is the best ever! Showcasing 50 years of industry innovation, the FMI Convention will feature hundreds of products and program ideas that can help you make your store more profitable.

Make plans now to attend. Call the Food Marketing Institute Convention Services at (202) 452-8444 for more information.

50 YEARS Showcasing Industry Innovation

FMI FOOD MARKETING INSTITUTE

1750 K Street, NW
Washington, DC 20006

THE 1987 SUPERMARKET INDUSTRY CONVENTION
AND EDUCATIONAL EXPOSITION
May 3-6, McCormick Place, Chicago, Illinois

© FMI, 1987

GROCERY COMPANIES

1986 was a good year for grocery stocks. Strong sales performances, corporate restructurings and takeover bids have fueled market activity for many grocery issues, making them attractive to investors.

candidate, although no such takeover bid has been attempted.

Super Valu Stores

This company marks the first primarily wholesale company to appear on this list. If we take total company sales, Super Valu is the nation's Number 1 wholesale grocery company; however, just about $1 billion of those sales comes from its retail operations. These retail operations include its profitable Cub operations, and the not-so-profitable Food Giant stores that it purchased from Delhaizes Freres in August. Its West Coast Groceries, acquired in 1985, has enhanced its wholesale operations, as have a number of smaller wholesale acquisitions.

All in all, 1986 was a good year for Super Valu Stores, with sales up 20.7 percent and earnings up 9.6 percent. This despite a loss of some 200-plus affiliated stores.

Fleming Cos.

If we just consider strictly wholesale sales, then Fleming Cos. is the nation's largest wholesale grocer. Unlike Super Valu Stores, Fleming does only a small portion of its business in retail operations. Fleming has been on an extremely aggressive acquisition trail in terms of warehouses and wholesale companies, culminating in the acquisition of Associated Grocers of Arizona, and Frankford-Quaker Co.

These acquisitions helped to fuel a 7.9 percent sales increase in 1986. Fleming's problem has been earnings, which dropped 34.6 percent last year. This dip is partially due to the strain of the acquisitions, and also due to the slumping economy in Fleming's primary market area, the Southwest. This loss of income in the Southwest has caused Fleming to acquire distribution channels outside the area, as a means of developing a business base there.

ESTIMATED FISCAL 1986 SALES OF OTHER LARGE GROCERY COMPANIES

(Those NOT Providing SUPERMARKET BUSINESS with Financial Information)

Company	Estimated* 1986 Sales
Wakefern Food Corp.	$2,550,000
Dominicks Finer Foods, Inc.	1,200,000
Meyer, Inc.	1,000,000
Indiana Grocers, Inc.	900,000
Cumberland Farms, Inc.	900,000
National Tea Co.	875,000
Wegman's Food Co.	850,000

*Estimates taken from various sources believed to be reliable. SUPERMARKET BUSINESS is not responsible for the accuracy of these estimates.

The Stop & Shop Cos. Inc.

Despite a sales increase of 8.1 percent in 1986, the company has seen fit to restructure its operations. In mid-year Stop & Shop sold off its Medi Mart pharmacy division to Walgreen's, and in January of 1987 sold its Almy's subsidiary. Additionally, Stop & Shop announced cost-cutting measures and layoffs in its home office.

Wetterau Inc.

The nation's third largest wholesaler enjoyed a good year in 1986. Sales were up 12.3 percent, and earnings rose 19.8 percent. This is record growth for a company that has been growing well over the last few years. Wetterau has also grown as a retailer, now operating about 90 stores. As with the other major wholesalers, Wetterau acquired some smaller voluntaries in 1986, namely The Creasey Co., Creasey, Dockham & Co., and Higdon Grocery Co., giving it more distribution in the Midwest, Florida and New England.

The Vons Cos. Inc.

Vons sales were up 9 percent last year, mostly due to expansion of its Pavilions format stores, and the purchase of Pantry stores from Cullum. The big news was the on-again, off-again, now on-again merger of Vons with Allied Supermarkets. This would give Vons public status, and a way out of some of its debt burden.

Supermarkets General Corp.

With a sales increase of 10.9 percent, 1986 proved to be a good year for the nation's 10th-largest grocery concern. A good part of this increase may be due to the company's building program, which added almost 30 stores to the organization. While earnings figures are not yet available, the rapid store expansion may cut into company income. It will be interesting to watch Supermarket General's reaction to A&P's increased competition to its Pathmark division. The company's stock performed well last year, and all indications are that it will remain a strong issue. ■

New Products

"Coming to the FMI Convention is just like going to school. I started out as an operator of one store and never had the opportunity to go to college. I've used the convention as my education, and I've gone from a one store operator to a four store operator. We come here and we see all the new equipment, new products. The worksheps are outstanding and probably the most professionally done of any trade shows that we have."

—*Larry O'Neil*, Owner, O'Neils, Spanaway, Washington—

The success of this international event stands as a testimony not only to the growth and strength of the industry, but also to the importance industry leaders place on this annual meeting. The FMI Convention has become the ultimate marketplace for the latest in products, services, and equipment.

This year's show is the best ever! It will feature hundreds of products and program ideas that can help you make your stores more profitable.

Make plans now to attend. Call Food Marketing Institute Convention Services at (202) 452-8444 for more information.

50 YEARS

FMI FOOD MARKETING INSTITUTE

1750 K Street, NW
Washington, DC 20006

THE 1987 SUPERMARKET INDUSTRY CONVENTION
AND EDUCATIONAL EXPOSITION

May 3-6, McCormick Place, Chicago, Illinois

© FMI, 1987.

SAMI UPDATE

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 11/7/86	4 WEEKS ENDING 12/5/86	4 WEEKS ENDING 1/2/87
BABY NEEDS	**– 4.0%**	**– 1.0%**	**– 4.1%**
Baby Powders	– 0.1	+ 1.2	+ 0.8
Baby Oils, Creams & Lotions	– 4.6	– 1.7	– 6.3
Infant Clothes	–19.1	– 8.2	– 14.9
Nursing Supplies	– 1.0	+ 0.5	– 0.9
DEODORANTS	**– 0.0%**	**– 0.6%**	**+ 0.3%**
Sprays	– 3.7	– 6.7	– 7.9
Roll-Ons	– 3.9	– 4.1	– 3.0
Stick Deodorants & Pads	+ 5.5	+ 5.8	+ 8.5
Creams	–10.1	–10.0	– 12.3
Deodorants & Talcum Powders	– 0.1	+ 0.9	– 0.6
Feminine Hygiene Deodorants	+ 2.4	– 3.4	– 4.7
Foot Deodorants & Athlete's Foot Remedies	+ 3.0	+ 6.1	+ 5.6
Feminine Douches	– 0.9	– 1.9	– 0.9
FIRST AID	**+ 2.0%**	**+ 0.7%**	**+ 0.5%**
Antiseptics	+10.9	+10.4	+ 9.1
First Aid Products	– 0.3	– 1.7	– 1.7
HAIR CARE NEEDS	**+ 1.2%**	**+ 0.3%**	**+ 2.0%**
Shampoos	– 2.8	– 4.9	– 3.6
Hair Sprays	+ 7.9	+11.9	+ 14.5
Hair Conditioning Rinses	+ 2.7	– 0.3	+ 3.0
Hair Setting Needs	+13.7	+ 8.8	+ 8.9
Home Permanent Kits	– 0.0	– 5.8	– 13.2
Hair Coloring	– 2.4	+ 0.2	+ 3.0
Hair Dressing Needs	– 4.2	– 5.5	– 5.8
ORAL HYGIENE	**+ 3.9%**	**– 0.2%**	**+ 2.9%**
Toothpastes & Powders	+ 5.0	– 3.0	+ 0.9
Mouthwashes	+ 9.3	+ 6.7	+ 6.5
Breath Fresheners	+ 4.1	+ 5.5	+ 5.4
Denture Cleaners	– 7.8	– 3.1	– 3.7
Denture Adhesives	– 0.7	– 1.6	– 2.7
Toothbrushes	– 2.9	+ 5.6	+ 11.8
PROPRIETARY REMEDIES	**+ 3.0%**	**+ 4.4%**	**+ 3.7%**
Antacids	+ 0.9	+ 1.9	+ 1.9
Internal Analgesics	+11.5	+ 3.2	+ 6.7
External Analgesics	– 1.0	+ 1.9	– 7.6
Cold Remedies	+ 3.3	+ 9.7	+ 6.5
Nasal Sprays—Drops—Inhalers	– 4.6	+ 3.0	+ 1.8
Chest Rubs	– 8.4	– 0.8	– 3.5
Cough Remedies	– 2.3	+ 5.4	+ 0.6
Laxatives	– 4.4	– 1.0	– 0.3
Sleeping Aids	– 1.8	– 2.0	– 2.9
Tranquilizers	– 0.3	–20.8	– 18.5
Synthetic Vitamins	+ 2.4	+10.3	+ 20.5
Eye Care Products	+10.6	+11.9	+ 12.3
Appetite Suppressants	– 7.4	– 7.2	– 18.7
SHAVING NEEDS	**– 1.1%**	**– 4.2%**	**– 0.9%**
Shaving Creams	+ 7.1	+ 1.0	+ 0.7
Pre-Shave Lotions	– 9.5	–11.5	– 10.9
After-Shave Lotions	– 7.5	– 6.7	– 4.2
Razor Blades	– 3.4	– 5.6	– 0.6
Razors & Blades	+ 0.5	–14.5	– 7.5
SKIN CARE AIDS	**+14.2%**	**+19.1%**	**+ 3.6%**
Hand & Body Creams & Lotions	+ 5.4	+ 5.9	– 3.4
Facial Preparations	– 4.6	– 0.4	– 5.7
Lip Care Products	+74.2	+77.9	+ 18.0
Suntan Lotions & Oils	–16.5	+74.7	– 2.3
Cosmetic & Medicated Skin Aids	+ 2.4	+ 5.2	+ 5.9
TOTAL ALL CATEGORIES	**+ 2.5%**	**+ 2.2%**	**+ 2.3%**

Upsurge in High-Volume HBA Categories Contributes to Overall Volume Gain

Year-end reports show that 1986 was a banner year for lip care products, hair sprays, hair setting needs and vitamins.

BY ALAN MILLER JR.

The reporting period ending Jan. 2, 1987, marked the end of 1986 for SAMI's reports on sales in food stores. So this month's column will highlight some of the major trends for the year as a whole, as well as the findings for the final reporting period.

For the year as a whole, unit volume of the 50 health and beauty aids (HBA) tracked by SAMI inched forward just two-tenths of one percent. As modest as this gain may appear, the HBA increase is the same as that for dry grocery:nonfoods and is more favorable than the poundage loss of half a percent for frozen foods.

But the 2.3 percent HBA increase for the final four-week reporting period was better than the trend for any other product department except refrigerated foods, which showed an increase of 3.9 percent. Losses for the four weeks were reported for dry grocery:nonfoods (-0.7 percent), dry grocery: foods (-0.4 percent) and frozen foods (-0.7 percent).

New products star

As of the end of the year, 28 new HBA products had recorded $1 million or more in food store sales during the year. Some of them were launched during the year, while others emerged from test markets and enjoyed sales increases greater than 1,000 percent.

These stellar new product entries included Colgate Tartar Control, L'Envie Shampoo and Hair Conditioner, Medipren ibuprofen analgesic, Clairol Condition hair spray, Gillette Microtrac razor sets and blades, Aim toothbrushes, and Sucrets and Plax mouthwashes.

Calcium became a buzz word during 1986, and the newly created natural vitamin, mineral and supplement SAMI category grew by leaps and bounds as a result of calcium supplement items.

Other product gains

In a number of cases, significant unit volume gains occurred at the product class level but were not manifest at the category level. For example, although baby powders were trending downward during the year, those items containing cornstarch gained 16 percent during the final 12 weeks of the year. Shampoo sales fell consistently during the year, but the special-purpose brands increased 41 percent during the 12 weeks at the end of the year.

In the first aid antiseptic category, strong volume gains were the result of increases amounting to 36 percent for aerosols and 21 percent for creams, lotions or ointments. Hair conditioners gained 2 percent over the 12-week period, but baby hair conditioners advanced 402 percent because of a major upward thrust for Johnson's.

Among internal analgesics, recent trends showed a gain of 7.2 percent in the 12-week period and 6.7 percent in the four-week period. But within this category, menstrual remedies gained 165 percent and ibuprofen products gained 84 percent in the final 12 weeks.

The standout performers in the cold remedies category were hay fever tablets and capsules. Laxative granules increased 277 percent. In the eye care products category, hard gas permeable items performed well.

Among synthetic vitamins, strong increases were reported for vitamin C (+ 74 percent), B_6 (+ 44 percent) and B_{12} (+ 28 percent). Each of the natural vitamins, minerals and supplements products shared in the strong growth of this new category: supplements, + 179

percent; natural vitamins, + 78 percent; and minerals, + 24 percent. Sun screens outperformed the other types of suntan lotions and oils.

Even score

In 1986, four product groups had unit volume gains and four had declines in the SAMI food store census representing more than 70,000 food stores. The highest annual gains were 4.2 percent for skin care aids and 2.0 percent for hair care needs. First aid antiseptics and other products rose 1 percent and proprietary remedies rose 1.6 percent.

The product group losses were 4.1 percent for baby needs, 0.3 percent for deodorants, 3.5 percent for oral hygiene and 1.4 percent for shaving needs. Three categories had double-digit annual loss rates: infant clothes (-12.8 percent), cream deodorants (-12.6 percent) and proprietary tranquilizers (-13.4 percent) on minimal volume.

During the final four weeks of the year, six product groups registered gains in volume and only two—baby needs (-4.1 percent) and shaving needs (-0.9 percent)—showed declines. But the ratio of four-week gains to losses for categories is in favor of losses.

Four-week trends

Three of the four baby needs categories recorded losses for the final four-week period. Only baby powders was in the black, with a gain of less than 1 percent.

The preponderance of deodorant categories showed mostly negative trends, with the only positive trends recorded for stick deodorants (+ 8.5 percent) and athlete's foot remedies (+ 5.6 percent). In the first aid group, the 9.1 percent gain for antiseptics was sufficient to erase the 1.7 percent loss for other first aid products.

Shampoos ended the year with a loss of 3.6 percent and an annual decline of 2.3 percent. New products in 1986 did not provide enough additional sales revenue to expand this high volume category, as had been the case in previous years.

Losses for four weeks, as well as annually, were also recorded, for home permanent kits and hair dressing needs. The current sales vitality in the hair care needs group stems from growth among hair sprays (+ 14.5 percent), hair conditioning rinses (+ 3.0 percent), hair setting needs (+ 8.9 percent) and hair coloring (+ 3.0 percent).

Perennially weak

The perennially weak categories in the oral hygiene group—denture cleaners and denture adhesives—continued their downward progress with four-week losses of 3.7 percent and 2.7 percent, respectively.

The toothpaste and powder category gained 0.9 percent, as a result of strength among pumps and tartar-control items. Toothbrush volume grew 11.8 percent, with the new Aim toothbrush contributing importantly to the gain.

For proprietary remedies, in the cough and cold categories, only chest rubs had a loss. Gains were registered for cold remedies (+ 6.5 percent), cough remedies (+ 0.6 percent) and nasal sprays-drops-inhalers (+ 1.8 percent).

Internal analgesics performed well, as new ibuprofen remedies such as Medipren, Haltran and Trendar started adding to the volume already contributed by Advil and Nuprin. Synthetic vitamins, as well as those in natural form, are on a roll. But appetite suppressants are performing poorly, as consumers are opting for other forms of weight control.

The continuing weakness of the shaving needs group is the result of a dearth of important new products. The only category in this group to show an increase, on both an annual and four-week basis, is shaving creams, which had increases of 3.6 percent and 0.7 percent, respectively.

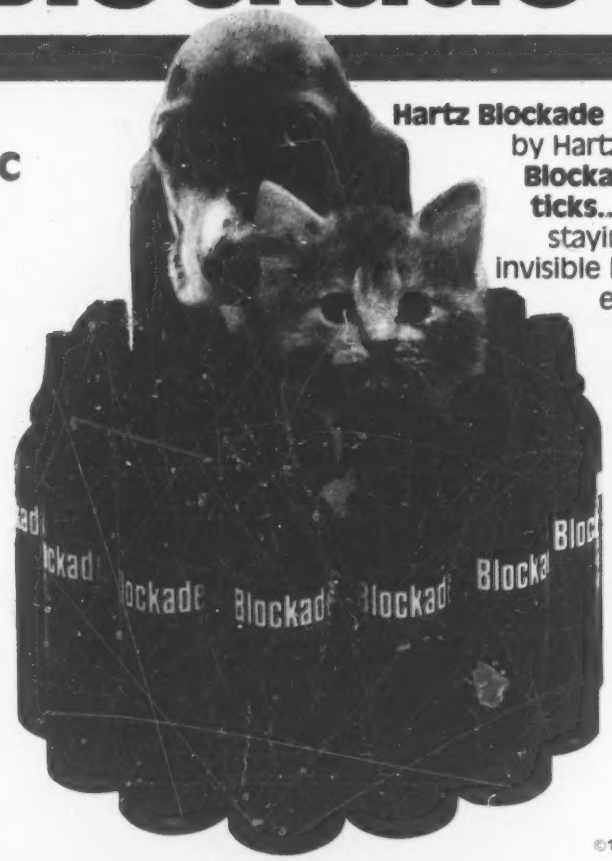
Skin care slowing down

The gain rate for skin care aids decelerated as the year came to a close, because of reduced sales for hand and body creams and lotions, and facial preparations. The four-week gain of 18.0 percent for lip care products is significantly lower than the 30.6 percent annual gain. This is attributed to the maturity of some of the items, such as Vaseline Lip Therapy, which had been exhibiting strong gains over the corresponding year-ago period.

In the cosmetic and medicated skin aids category, the four-week trend shows a gain of 5.9 percent, which contrasts favorably with the 2.4 percent loss on an annual basis. ■

Hartz® Blockade® Repels

The Most Dramatic Breakthrough in Flea and Tick Control



Hartz Blockade is the result of 10 years of research by Hartz Mountain chemists and biologists. **Blockade is designed to repel fleas and ticks...**to keep them from jumping on or staying on the pet. **Blockade** creates an invisible barrier to "protect your pet" and is effective for as long as three weeks. **Blockade** also kills fleas and ticks already on pets and protects them from reinfestation. **Blockade** has been tested and is safe to use with the Hartz 2 in 1® Long Lasting Collars for all year long protection.

● massive TV and radio advertising campaign ● coupons ● big introduction allowance ● big promotion allowance ● floor display ● shelf extender

©1987 The Hartz Mountain Corporation, Harrison, N.J. 07029-9987